







Thank you for choosing Advance Business Systems & Supply Company ("We", "Us" or "Our") to lease the equipment listed above (the "Equipment") in this Lease Agreement (the "Lease"). The terms "You" and "Your" when used herein mean you our Customer, the Lessee of the Equipment.

1. **LEASE AGREEMENT:** You agree to rent from Us the Equipment and You promise to pay Us rent according to the payment schedule above plus all other amounts which are due from You under the terms of this Lease. **THIS LEASE IS NON-CANCELLABLE.**
2. **LEASE TERM AND PAYMENTS:** The term shall commence on the day that any of the Equipment is delivered to You (the "Commencement Date"). Rent shall be payable in advance beginning on the Commencement Date and continuing thereafter until all amounts due under the Lease are paid in full. At the end of the term the Lease shall automatically renew for another twelve (12) month term unless terminated by either party on not less than ninety (90) days written notice prior to the end of the term of the Lease. You may not pay off this Lease and return the Equipment prior to the end of the lease term without Our consent. In addition to all other amounts due under the Lease, We may charge You an early termination fee equal to ten percent (10%) of the original equipment value. At the end of the term of the Lease or any renewal thereof, You agree at Your own expense, to return the Equipment to Us at the location We designate, in good working order and condition.
3. **TAXES:** You shall keep the Equipment free and clear of all levies, liens and encumbrances or process. You shall pay ALL license fees, registration fees, assessments, charges and taxes (federal, municipal and state, **INCLUDING PERSONAL PROPERTY TAXES**) which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession or use of the Equipment during the term of the Lease. If We are required to pay any of these fees or taxes, You will reimburse Us.
4. **INTEREST:** Should You fail to pay any part of the rent or any other sum You are required to pay under the Lease within five (5) days after the due date thereof, You agree to pay to Us interest on such delinquent payment from the expiration of said five (5) days until paid at an annual percentage rate of eighteen percent (18%).
5. **OWNERSHIP OF EQUIPMENT:** We are the sole owner and title holder of the Equipment.
6. **INSTALLATION AND USE:** (a) You are responsible for timely site preparation where the Equipment is to be installed. You will make available sufficient workspace for Us to perform installation when applicable. You shall be responsible for all costs associated with installation unless otherwise stated herein, including but not limited to, all equipment cabling. You agree to make available an operator for training purposes in the use of the Equipment. At Your own cost and expense, You will keep the Equipment in good working order and condition; (b) You shall not pledge, lend, create a security interest in, sublet or part with possession of the Equipment or any part thereof or attempt in any other manner to dispose of the Equipment, without Our prior written consent; (c) You will cause the Equipment to be operated by competent and qualified personnel in accordance with the Equipment's manufacturer's specifications and manual of instruction. You will not allow the Equipment to be used in a manner that violates any applicable law, rule or regulation. All paper, chemicals and toner used to operate the Equipment shall meet or exceed the Equipment's manufacturer's specifications. You will grant Us access to Your premises to read meters, inspect, repair or remove the Equipment hereunder, and You will not make any alterations, additions or improvements to the Equipment and not move the Equipment from the location(s) where installed without the prior written approval of one of Our officers. Any alteration, additions or improvements made to the Equipment shall belong to Us and immediately become Our property; (d) You bear the entire risk of loss, damage, theft, rent distraint or destruction of the Equipment from any cause whatsoever, and upon any such occurrence, You shall not be relieved of the obligation to pay rent or from any other obligation under this Agreement. You are responsible for and must pay to Us on demand, the then current list price of any lost, levied, seized, stolen or damaged Equipment, as well as the cost of restoring any Equipment that is returned with extraordinary wear and tear or damage.
7. **ACCEPTANCE:** Unless within 48 hours after delivery of the Equipment, You give Us written notice specifying any defect in or other valid objection to the Equipment, it shall be conclusively presumed, as between Us and You, that the Equipment is acknowledged by You to be in good working order and condition and that You have inspected and accepted it and are satisfied that the Equipment constitutes the Equipment specified in the Lease and You take it "**AS-IS**" and "**WITH ALL FAULTS**".
8. **LIABILITY AND INSURANCE:** You are responsible for any losses or injury caused by the Equipment. You promise to keep the Equipment fully insured against loss until the Equipment is returned to Us and to maintain insurance that protects Us from liability for any damage or injury caused by the Equipment or its use. You promise to provide Us evidence of the insurance, showing Us as the loss payee and additional insured, upon request. If You fail to provide such evidence, You authorize Us to obtain coverage on Your behalf. We may file claims and endorse insurance checks on Your behalf. You must continue to make payments until the Lease is paid off by the insurance proceeds.
9. **DELAYS:** We are not liable for any damages, whether direct, indirect, special, incidental, consequential, exemplary or of any other nature, for delay in delivery or installation (where applicable), or for the failure to give notice of such delay, when delay is due to factors beyond Our reasonable control or was caused by You.
10. **DISCLAIMER OF WARRANTIES: THE EQUIPMENT IS BEING LEASED TO YOU IN "AS-IS" CONDITION. NO INDIVIDUAL IS AUTHORIZED TO CHANGE ANY PROVISION OF THIS LEASE. YOU AGREE THAT WE HAVE NOT MANUFACTURED THE EQUIPMENT AND THAT YOU HAVE SELECTED THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. WE HAVE NOT MADE AND DO NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW.** You are aware of the Equipment manufacturer and You will contact the manufacturer for a description of Your warranty rights. Provided You are not in Default under this Lease, You may enforce all warranty rights directly against the manufacturer of the Equipment. You agree to settle any dispute You may have regarding performance of the Equipment directly with the manufacturer of the Equipment.
11. **LIMITATION OF LIABILITY:** Advance's liability shall be limited at Advance's option to either (a) the repair or replacement of the Equipment by Advance, or (b) to the amount of the rent due under the Agreement which has been previously paid by CUSTOMER under this Agreement, not to exceed, in any event, an amount equal to six month's rent. **EXCEPT AS OTHERWISE SET FORTH IN THIS SECTION 11, ADVANCE SHALL NOT BE LIABLE FOR ANY DAMAGES, DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL RESULTING FROM ITS DELIVERY OF DEFECTIVE OR NON-CONFORMING EQUIPMENT, SERVICES, WORK PRODUCT AND/OR GOODS, OR FROM ANY DELAY IN DELIVERING EQUIPMENT, SERVICES, WORK PRODUCT AND/OR GOODS OR FOR ANY ANTICIPATED, ACTUAL, OR ALLEGED LOST PROFITS, INCIDENTAL DAMAGES, LOSS OF TIME, OR OTHER LOSSES INCURRED BY CUSTOMER OR ANY THIRD PARTY IN CONNECTION WITH THE EQUIPMENT, SERVICES, WORK PRODUCT AND/OR GOODS AS DESCRIBED, PROVIDED, OR TO BE PROVIDED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE LOSS OF USE OF THE EQUIPMENT AND SERVICES, FAILURE OF PERFORMANCE OF THE EQUIPMENT AND GOODS, FAILURE OF ADVANCE TO PERFORM IN ACCORDANCE WITH ITS OBLIGATIONS UNDER THIS AGREEMENT; LOSS OF ANY DATA (WHETHER BELONGING TO CUSTOMER OR ANYONE WHO HAS PROVIDED DATA TO CUSTOMER), AND WHICH DATA IS AT ANY TIME WITHIN CUSTOMER'S CUSTODY; LOSS OF (OR LOSS OF USE OF) ANY SOFTWARE OR FEATURE OR ANY COMPUTER, ELECTRONICS OR OTHER EQUIPMENT ATTACHED OR CONNECTED TO THE EQUIPMENT (WHETHER BY ELECTRICAL, MECHANICAL OR ANY OTHER MEANS) AND/OR SOFTWARE RELATED TO THE EQUIPMENT'S USE; AND/OR FOR LOSS RESULTING FROM ANY INJURY TO PERSON OR PROPERTY, INCLUDING BUT NOT LIMITED TO, CLAIMS AND THIRD PARTY CLAIMS ARISING OUT OF TORT AND/OR CONTRACT, LAW OR EQUITY. UNDER NO CIRCUMSTANCES SHALL ADVANCE BE LIABLE TO CUSTOMER OR ITS EMPLOYEES, AGENTS, SUCCESSORS, ASSIGNS OR ANY THIRD PARTY FOR DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM THE INSTALLATION, CONNECTION, INTERFACING AND/OR OPERATION OF THE EQUIPMENT INDEPENDENTLY OR IN CONJUNCTION WITH ANY OTHER PROPERTY OR EQUIPMENT. THE EQUIPMENT SUPPLIED UNDER THIS AGREEMENT MAY CONTAIN ONE OR MORE HARD DRIVES THAT MAY CONTAIN OR RETAIN DATA RESULTING FROM CUSTOMER'S OR OTHERS' USE OF THE EQUIPMENT WHILE IT WAS IN CUSTOMER'S CUSTODY AND/OR DURING THE TERM OF THE SERVICE AGREEMENT. THIS DATA MAY REMAIN IMBEDDED ON THE HARD DRIVE(S) AFTER THE EQUIPMENT IS NO LONGER IN SERVICE UNDER THIS AGREEMENT. THE RESPONSIBILITY FOR THE SECURITY OF ANY SUCH DATA LOCATED AND RETAINED ON THE EQUIPMENT HARD DRIVE(S) IS AND WILL REMAIN THAT OF THE CUSTOMER. IF THE EQUIPMENT IS RETURNED TO ADVANCE AT THE TERMINATION OF THIS AGREEMENT (OR OTHERWISE), ADVANCE IS PLEASED, UPON CUSTOMER'S REQUEST, TO OFFER CUSTOMER ALTERNATIVES TO PROTECT OR DESTROY THIS DATA. IN NO INSTANCE SHALL ADVANCE BE RESPONSIBLE TO THE CUSTOMER OR ANY THIRD PARTY FOR THE PROTECTION OR PROTECTION AGAINST DISSEMINATION, OR DESTRUCTION OF ANY DATA IMBEDDED (IN ANY MANNER) ON THE EQUIPMENT'S HARD DRIVE(S); AND THE CUSTOMER COVENANTS AND AGREES AS, AND WITHOUT LIMITATION, TO THE EXTENT SET FORTH IN PARAGRAPH 12 TO INDEMNIFY AND HOLD ADVANCE HARMLESS FROM ANY CLAIM(S) ALLEGED OR BROUGHT AGAINST ADVANCE BY OR FROM ANYONE REGARDING THE SECURITY, USE, OR DISCLOSURE OF ANY DATA IMBEDDED ON THE HARD DRIVE(S) OF THE EQUIPMENT, DURING THE TERM OF THIS AGREEMENT OR THEREAFTER.**

**12. INDEMNIFICATION:** Notwithstanding anything to the contrary contained elsewhere in this Agreement, Customer assumes liability for and shall indemnify, protect, save and keep harmless Advance, its agents, servants, and employees from and against all liability, including, but not limited to, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal expenses of any kind and nature imposed upon, without limit, incurred by or asserted against Advance in any way (directly or indirectly) relating to or arising out of this rental or of the use of the Equipment. The indemnification contained in this paragraph shall continue in full force and effect, notwithstanding the termination of this Agreement and shall survive the termination of this Agreement.

**13. DEFAULT:** Any of the following events or conditions will constitute Default hereunder:

(a) You fail to pay any sum due Us within five (5) days after the due date thereof; (b) You fail to observe or perform any other term, covenant or condition of this Lease or any other instrument or document executed in connection herewith; (c) the filing by or against You of a petition under the Bankruptcy Code or under any other insolvency law providing for the relief of debtors; (d) the voluntary or involuntary making of an assignment of a substantial portion of Your assets for the benefit of creditors, appointment of a receiver or trustee for You or for Your assets, commencement of any formal or informal proceeding for dissolution, liquidation, settlement of claims against or winding up of Your affairs, or You cease doing business as a group concern; (e) any representation or warranty made by You herein or in any document delivered by You in connection herein will prove to have been misleading in any material respect when made; or (f) You are in Default under any other contract with Us.

**14. REMEDIES:** If You are in Default under this Lease, We shall, with or without notice to You, have the right to exercise concurrently or separately and without any election of remedies to be deemed made, the following remedies: (a) elect that all amounts owed under the full current term of this Agreement be accelerated and the entire obligation hereunder be due immediately; (b) require the immediate return the Equipment; (c) terminate this Lease; (d) enter on the premises in which the Equipment is located and without any court order or other process of law, repossess and remove the Equipment, whether with or without notice to You, any such repossession shall not constitute a termination of this Lease unless We so notify You in writing, and We shall have the right, at Our option, to lease the Equipment to any other person or persons on such terms and conditions as We shall determine; (e) sell the Equipment to the highest bidder at public or private sale; (f) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by You and/or any guarantee hereunder of the applicable covenants of this Lease and obtain a judgment against said parties for all amounts owing under this Lease, including, but not limited to, all unpaid rent, interest on all amounts due hereunder at an annual rate of eighteen percent (18%), costs, taxes and expenses, including attorneys' fees of twenty-five percent (25%) of all amounts due hereunder, witness fees, plus further relief that the court considers appropriate for Your breach; (g) exercise all rights available to Us under applicable law. In the event either sub-sections (d) or (e) above are exercised, there shall be due from You, and You will immediately pay to Us, the difference between the total amount of rentals to be received from any third person or the purchase price at such sale, as the case may be, and the total unpaid rental provided to be paid hereunder, together with the estimated fair market value of the Equipment for the original lease termination date, plus all of Our costs and expenses in repossessing, re-leasing, transporting, repairing, selling or otherwise handling the Equipment.

**15. CONFESSION OF JUDGMENT:** You hereby irrevocably authorize and empower any attorney of any Court of Record within the United States to appear for You in any Court in one or more proceedings, or before any Clerk thereof, and to confess judgment against You, without prior notice to You or opportunity for a prior hearing, in Our favor, or Our assigns or successors in interest, for any sums due by virtue of this Lease, plus interest, taxes, costs of suit, witness fees and collection fees including attorneys' fees not to exceed twenty-five percent (25%) of the total amount due at the time of confession. You hereby waive all rights to stay of execution on said judgment, as well as any demand or presentment for payment, notice of dishonor, protest, notice and trial by jury.

**16. ASSIGNMENT:** You shall not assign, sublet or pledge the Equipment or this Lease. You agree that all Our rights in the Equipment and under this Lease may be assigned, pledged or otherwise disposed of, without notice to You, but always subject to Your rights under this Lease.

**17. SOLVENCY:** You represent to Us that You are solvent and that Your assets exceed Your liabilities and You can meet Your debts and obligations as they become due. This representation is made by You to allow Us the option to elect the remedies provided in Section 2-702 of the Maryland Commercial Law Article ("MCLA").

**18. STATUTE OF LIMITATIONS:** No action by You shall be brought at any time against Us unless written notice of any claim alleged to exist is delivered by You to Us within ninety (90) days after the event complained of first becomes known or should have become known to You. Any legal proceedings in connection with such claim shall be filed within twelve (12) months after the event complained of first became known or should have become known to You or shall be considered forever barred.

**19. JURISDICTION:** Your contractual relationship with Us constitutes an agreement made in Maryland and is governed by the laws of Maryland. At Our election, any action arising from such agreement may be litigated in Maryland, and You by executing this Lease, acknowledge that it was formed in Maryland and You consent to the jurisdiction and venue of any local, state or federal court located in Maryland, including but not limited to, those located in Baltimore County, Maryland.

**20. SURVIVAL:** The provisions of this Lease which benefit Us, as well as Your obligations as set forth herein, shall survive termination, cancellation or expiration of this Lease.

**21. MISCELLANEOUS:** If a court finds any provision of this Lease to be unenforceable, the remaining terms of this Lease shall remain in effect. All of Our written notices to Us must be sent by certified mail. Notwithstanding terms and conditions contained in any purchase order relating to the Equipment, the terms and conditions of this Lease will prevail. You agree that a facsimile copy of this Lease bearing authorized signatures may be treated as an original.

**22. LESSEE WAIVERS:** You waive notices of Our intent to accelerate the rent, the acceleration of the rent and of the enforcement of Our rights. WE AND YOU EACH AGREE TO WAIVE AND TO TAKE ALL REQUIRED STEPS TO WAIVE ALL RIGHTS TO A JURY TRIAL. To the extent You are permitted by law, You waive all rights and remedies You have by Article 2A (Sections 508-522) of the MCLA including, but not limited to, Your rights to cancel or repudiate security interest in any Equipment in Your possession. To the extent You are permitted to by law, You also waive any rights You now or later may have under any statute or otherwise which require Us to sell, lease or otherwise use any Equipment to reduce Our damages or which may otherwise limit or modify any of Our rights and remedies. You authorize Us to sign on Your behalf and file at any time any documents in connection with the MCLA.

**23. TRUE LEASE:** You agree that this is NOT a "Finance Lease" or "Capital Lease" as those terms are defined under Title 2A of The Commercial Law Article of the Annotated Code of Maryland or other applicable law.

**24. ENTIRE CONTRACT:** This Agreement contains the entire, complete and only agreement between the parties and supersedes all pre-existing agreements or arrangements between the parties. It is not binding upon Us until the time it is signed by Our authorized officer. No waiver, alteration or modification of any of the provisions hereof shall be binding unless in writing and signed by an authorized officer. **NONE OF OUR EMPLOYEES OR AGENTS ARE AUTHORIZED TO MAKE ANY WARRANTY IN ADDITION TO ANY WHICH MAY HAVE BEEN MADE IN THIS AGREEMENT. YOU ARE WARNED. THEREFORE, TO CHECK THIS AGREEMENT CAREFULLY TO SEE THAT IT CORRECTLY REFLECTS THOSE TERMS THAT ARE IMPORTANT TO YOU. YOU ACKNOWLEDGE THAT YOU HAVE READ THIS AGREEMENT, UNDERSTAND IT, AND THAT THE SIGNATORY HAS THE CAPACITY AND AUTHORITY TO BIND YOU TO ITS TERMS.**

#### PERSONAL GUARANTY

I guaranty that the Customer will make all payments and pay all other charges and fees due under this Agreement and that the Customer will perform all other obligations under the Agreement fully and promptly. I also agree that Advance may modify the Agreement or make other arrangements with the Customer and I will still be responsible for all payments and obligations under the Agreement. I agree that Advance need not notify me of any default under the Agreement, and in the event of default, I will pay all amounts due under its terms and I hereby agree to be bound by all the terms and conditions of the Agreement including the remedies provided to Advance in the event of default, such as those contained in Paragraphs 12, 14 and 15 of the Agreement, which will also be enforceable against me personally. I have read and understand the Agreement and agree to be personally bound by all of its terms and conditions.