

General Metals Leasing L.L.C.

2727 W. Weldon Ave.
Phoenix, Arizona 85017
602-264-4815 Fax 602-277-6039

**TERMS AND CONDITIONS
PLEASE READ CAREFULLY BEFORE SIGNING**

LEASE NO. _____

Agreement of Lease dated as of _____ 20 _____, between General Metals Leasing L.L.C. having a place of business at 2727 W. Weldon Ave. Phoenix, Arizona ("Lessor"), and _____ ("Lessee") having a place of business at _____
(Street Address, City & State)

WITNESSETH:

1. Lessor hereby leases to Lessee, and Lessee hereby hires and takes from Lessor the following described personal property :
[Describe equipment fully, including make, kind of unit, serial and model numbers, and any other pertinent information.]

2. Term. This lease is for a term of _____ years, beginning _____, 20 _____, and ending _____, 20 _____.

SCHEDULE OF RENTAL PAYMENTS			
INITIAL TERM OF LEASE (MONTHS) _____	RENT (PLUS APPLICABLE TAXES) \$ _____		
TOTAL NUMBER OF RENTAL PAYMENTS _____	1 ST MONTHS RENT \$ _____		
END OF LEASE PURCHASE OPTION _____	SECURITY DEPOSIT \$ _____		
	AMOUNT DUE WITH LEASE \$ _____		

3. Rentals. All rent shall be paid at Lessor's place of business shown above, or such other place as the Lessor may designate by written notice to the Lessee. All rents shall be paid without notice or demand and without abatement, deduction or set-off of any amount whatsoever. The operation and use of the leased equipment shall be at the risk of the Lessee, and not the Lessor, and the obligation of Lessee to pay rent hereunder shall be unconditional.

4. GUARANTY OF LEASE

In order to induce Lessor to enter into this Lease, Guarantor(s), jointly and severally, guarantees the full performance by Lessee of all terms and conditions of the Lease. This Guaranty is continuing, absolute and unconditional and may be enforced by Lessor directly against Guarantor without prior action against Lessee and Guarantor waives all demands, notices of non-performance or default and any defense based on any arrangement or agreement between the Lessor and Lessee. Guarantor waives any right of subrogation against Lessee. This Guaranty may not be waived or amended except in a writing signed by Lessor. See "Applicable Law" below, which applies to this Guaranty as well as the Lease.

GUARANTOR _____

GUARANTOR (spouse) _____

Print Name _____

Print Name _____

Home Address _____

Home Address _____

Initials _____

5. Destruction of the Leased Equipment. If any leased equipment is totally destroyed, the liability of the Lessee to pay rent therefor may be discharged by paying to Lessor all rent due thereon, plus all the rent to become due thereon less the net amount of the recovery, if any, actually received by the Lessor from insurance or otherwise for such loss or damage. Lessor shall not be obligated to undertake, by litigation or otherwise, the collection of any claim against any person for loss or damage of the leased equipment. Except as expressly provided in this paragraph, the total or partial destruction of any leased equipment, or total or partial loss of use or possession thereof by Lessee, shall not release or relieve Lessee from the duty to pay the rent herein provided.

6. No Warranties by Lessor; Maintenance, Compliance With Laws and Insurance: Lessor, not being the manufacturer of the leased equipment, makes no warranty or representation, either express or implied as to the fitness, design or condition of, or as to the quality or capacity of the material, equipment or workmanship in the leased equipment, nor any warranty that the leased equipment will satisfy the requirements of any law, rule, specification or contract which provides for specific machinists or operators, or special methods, it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee at its sole risk and expense. No oral agreement, guaranty, promise, condition, representation or warranty shall be binding; all prior conversations, agreements or representations related hereto and/or to the leased equipment are integrated herein, and no modification hereof shall be binding unless in writing signed by Lessor. Lessee agrees, at its own cost and expense, (a) to pay all shipping charges and other expenses incurred in connection with the shipment of the leased equipment by the Seller to the Lessee; (b) to pay all charges and expenses in connection with the operation of each item of leased equipment; (c) to comply with all governmental laws, ordinances, regulations, requirements and rules with respect to the use, maintenance and operation of the leased equipment; (d) to maintain at all times public liability, property damage, fire, theft, and comprehensive insurance in an amount satisfactory to Lessor, protecting Lessor's interest as it may appear, delivering to Lessor evidence of such insurance coverage and (e) to make all repairs and replacements required to be made to maintain the leased equipment in good condition, reasonable wear and tear excepted.

7. Taxes: Lessee agrees that, during the term of this lease, in addition to the rent provided herein to be paid, it will promptly pay all taxes, assessments and other governmental charges levied or assessed upon the interest of the Lessee in the leased equipment or upon the use or operation thereof or on the earnings arising there from, and as additional rent will promptly pay or reimburse the Lessor for all taxes (other than sales taxes paid by Lessor with respect to its purchase of the leased equipment), assessments and other governmental charges (including fees for titling and registration of leased equipment, if required) levied or assessed against and paid by the Lessor on account of its ownership of the leased equipment or any part thereof, or the use or operation thereof or the leasing thereof to the Lessee, or the rent herein provided for or the earnings arising there from, exclusive, however, of any taxes based on net income of Lessor and taxes on gross receipts or gross income of Lessor.

8. Identification of Leased Equipment: Each item of leased equipment shall have plainly, distinctly and permanently affixed to it, at the expense of the Lessee, a metal plate bearing the following words: "General Metals Leasing L.L.C., Owner and Lessor".

9. Title of the Lessor: Title to the leased equipment shall at all times remain in the Lessor and Lessee will at all times protect and defend, at its own cost and expense, the title of the Lessor from and against all claims, liens and legal processes or creditors of the Lessee and keep all leased equipment free and clear from all such claims, liens and processes. The leased equipment is and shall remain personal property. Upon the expiration or termination of this lease, the Lessee at Lessee's sole expense shall return the leased equipment unencumbered to Lessor at above address or to such other place as Lessor and Lessee agree upon, and in the same condition as when received by Lessee, reasonable wear and tear resulting from use thereof alone excepted. (no option to buy applicable)

10. Possession, Place of Use and Changes in Location of Leased Equipment: So long as Lessee shall not be in default under this lease it shall be entitled to the possession and use of the leased equipment in accordance with the terms of this lease. The leased equipment shall be used in the conduct of the lawful business of the Lessee, shall be kept at the _____, County of _____, State of _____, and shall not removed from such location without prior written consent of the Lessor. The lessee shall not without Lessor's prior written consent, part with possession or control of the leased equipment or attempt to sell, pledge, mortgage or otherwise encumber any of the leased equipment, or attempt to purport to sell, pledge, assign, transfer or otherwise dispose of or encumber any interest under this lease.

11. Performance of Obligations of Lessee by Lessor: In the event that the Lessee shall fail duly and promptly to perform any of its obligations under the provisions of articles 6, 7 and 8 of this lease to be performed by the Lessee, the Lessor may, at its option, immediately or at any time thereafter perform the same for the account of Lessee without thereby waiving such default, and any amount paid or expense or liability incurred by Lessor in such performance, together with interest at the rate of 18% per annum thereon until paid by the Lessee to the Lessor, shall be payable by the Lessee upon demand as additional rent for the leased equipment.

12. Right of Inspection: Lessor shall have the right from time to time during reasonable business hours to enter upon the Lessee's premises or elsewhere for the purpose of confirming the existence, condition and the proper maintenance of the leased equipment. The foregoing rights of entry are subject to any applicable governmental laws, regulations and rules concerning industrial security.

13. Assignment: This lease and all rights of Lessor hereunder shall be assignable by Lessor without Lessee's consent, but Lessee shall not be obligated to any assignee of the Lessor except after written notice of such assignment from the Lessor. Without the prior written consent of Lessor, the Lessee shall not assign this lease or its interests hereunder or enter into any sublease with respect to the leased equipment covered hereby, it being agreed Lessor will not unreasonably withhold its consent to a sublease of the leased equipment.

14. Insurance. Lessee will keep the Equipment insured against all risks in amounts specified by Lessor from time-to-time but in no event less than the greater of replacement value or the total of all Rents for the full Term. Lessee will at all times carry commercial liability insurance in amounts specified by Lessor. In the event that Lessee does not provide Lessor with proof of insurance, Lessor has the right, but not the obligation, to obtain insurance on Lessee's behalf. Lessee will reimburse Lessor on a monthly basis for full cost of premium, including charges and fees of Lessor and/or the highest rate legally permissible. All insurance shall be in form, amounts and with insurance companies satisfactory to Lessor, who may on reasonable notice require Lessee to change such form, amount or company. Lessor shall be named loss payee on all property damage insurance and additional insured on all liability insurance provided hereunder and shall have the right to acceptable certificates or other evidence of insurance at any time, together with standard lender/Lessor waivers of premium, subrogation and cancellations. Insurance proceeds shall be applied first to Lessee's obligations under Sections 15, then to Lessee's other obligations hereunder.

Int. _____

15. **Default:** There shall be deemed to be a breach of this lease (a) if Lessee shall default in the payment of any rent hereunder and such default shall continue for a period of 10 days, (b) if Lessee shall default in the performance of any of the other covenants herein and such default shall continue uncured for 15 days after written notice thereof to Lessee by Lessor, or (c) if Lessee ceases doing business as a going concern, or if a petition is filed by or against Lessee under the Bankruptcy Code or any amendment thereto (including a petition for reorganization, arrangement or an extension), or if Lessee attempts to remove or sell or transfer or encumber or sublet or part with possession of the leased equipment or any part thereof. In the event of a breach of this lease, as herein defined: (a) the leased equipment shall upon Lessor's demand forthwith be delivered to Lessor at Lessee's expense at such place as Lessor shall designate and Lessor and/or its agents may, without notice or liability or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the leased equipment may be or by Lessor is believed to be, and repossess all or any part of the leased equipment, disconnecting and separating all thereof from any other property and using all force necessary or permitted by applicable law so to do, Lessee hereby expressly waiving all further rights of possession of the leased equipment and all claims for injuries suffered through or loss caused by such repossession, and (b) all sums due and to become due hereunder shall, at Lessor's option, become payable forthwith, and the Lessor, in addition to being entitled to take possession of the leased equipment as hereinbefore described, also shall be entitled to recover immediately as and for damages for the breach of this lease and not as a penalty, an amount equal to the difference between the aggregate rent reserved hereunder for the unexpired term of the lease [hereinafter called "Remaining Rentals"] and the then aggregate rental value of all leased equipment for the unexpired term of the lease (hereinafter called "Unexpired Rental Value of Leased Equipment"), provided, however, that if any statute governing the proceeding in which such damages are to be proved, specifies the amount of such claim, Lessor shall be entitled to prove as and for damages for the breach an amount equal to that allowed under such statute. The provisions of this paragraph shall be without prejudice to any rights given to the Lessor by such statute to recover for any amounts allowed thereby. Lessor, upon any breach of this lease, may sell the leased equipment or may re-lease such equipment for a term and a rental which may be equal to, greater than or less than the rental and term herein provided, and any proceeds of such sale received within sixty days after Lessor receives possession of the leased equipment or any rental payments received under a new lease made within such sixty days for the period prior to the expiration of this lease, less Lessor's expenses of taking possession, storage, reconditioning and sale or re-leasing, shall be deemed and considered for the purposes of this paragraph as being the Unexpired Rental Value of Leased Equipment. If the Unexpired Rental Value of Leased Equipment exceeds the Remaining Rentals, Lessor shall be entitled to the excess. The provisions of this paragraph shall be without prejudice to Lessor's right to recover or prove in full damages for unpaid rent that accrued prior to the breach of the lease. In the event of a breach of this lease, Lessor, at its option, may enforce by appropriate legal proceedings specific performance of the applicable covenants of this lease as well as any other remedy herein provided. **Should any legal proceedings be instituted by Lessor to recover any moneys due or to become due hereunder and/or for possession of any or all of the leased equipment, Lessee shall pay all cost and reasonable attorneys' fees.**

16. **Indemnity:** Lessee shall indemnify and hold Lessor harmless from any and all liability, loss, damage, expense, causes of action, suits, claims or judgments arising from injury to person or property resulting from or based upon the actual or alleged use, operation, delivery or transportation of any or all of the leased equipment or its location or condition; and shall, at its own cost and expense, defend any and all suits which may be brought against Lessor, either alone or in conjunction with others upon any such liability or claim or claims and shall satisfy, pay and discharge any and all judgments and fines that may be recovered against Lessor in any such action or actions, provided, however, that Lessor shall give Lessee written notice of any such claim or demand.

17. **Security Deposit:** The security deposit stated above has been deposited with Lessor as security for full performance of all of the terms and conditions of this Lease. Upon acceptance of this Lease, Lessor shall deduct from the security deposit a non-refundable document-filing fee of eighty-seven dollars for non-titled equipment and ninety-seven dollars for titled equipment. Lessor may, but shall not be required to apply all or any portion of the security deposit to any obligation of Lessee hereunder. The security deposit may be commingled by Lessor with other funds and shall not bear interest. If Lessor applies the security deposit to Lessee's obligations hereunder, Lessee shall immediately restore same. Upon Lessee's full performance of all terms and conditions of this Lease, Lessor shall, at the request of Lessee, return any remaining Security Deposit to Lessee

18. **Further Assurances:** Lessee shall execute and deliver to Lessor, upon Lessor's request, such instruments and assurances as Lessor deems necessary or advisable.

19. **Notices, Remedies and Waivers:** All notices relating hereto shall be delivered in person to an officer of the Lessor or Lessee or shall be mailed registered to Lessor or Lessee at its respective address above shown or at any later address last known to the sender. No remedy of Lessor hereunder shall be exclusive of any other remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy. A waiver of a default shall not be a waiver of any other or a subsequent default.

20. **Lease Irrevocability:** This lease is irrevocable for the full term hereof as set forth in paragraph 2 hereof and for the aggregate rentals herein reserved in schedule of payments and the rent shall not abate by reason of termination of Lessee's right of possession and/or the taking of possession by the Lessor or for any other reason, and delinquent installments of rent shall bear interest at 18% per annum.

21. **Applicable Law; Jurisdiction and Venue.** Lessee hereby acknowledges that this Lease was entered into in the State of Arizona, County of Maricopa, and that the parties have agreed to the terms of this Lease with the understanding that any action or proceeding regarding this Lease or the Equipment shall be maintained in the state of Arizona, County of Maricopa, West Phoenix Justice Court Maricopa County Superior Court, or federal courts in Phoenix, Arizona, and Lessee hereby submits to jurisdiction and venue in Phoenix, Arizona, waiving any claim of improper jurisdiction or venue or forum non conveniens and agreeing to accept service at Lessee's place of business in any such action. This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Arizona, applied without giving effect to conflict-of-laws principles, except that UCC Article 2A shall apply whether or not adopted by such state.

If Lessee is a corporation, this Lease is executed by authority of its Board of Directors.

I am authorized to sign this Lease on behalf of Lessee (or I am the sole proprietor doing business as the Lessee). I have read this Lease and discussed it with counsel to the extent I believe necessary and, on behalf of Lessee, I acknowledge that **THIS LEASE CONTAINS THE ENTIRE AGREEMENT OF LESSOR AND LESSEE AND MAY NOT BE ALTERED EXCEPT IN WRITING SIGNED BY LESSOR.**

In Witness Whereof Lessor and Lessee have caused this lease to be executed by their duly authorized representatives as of the day and year first above written.
General Metals Leasing L.L.C.

_____ [Lessor] _____ [Lessee]
[Signature of individual and name of Corporation or Partnership]

By _____ By _____

Its _____ Its _____

SEE PAGES 1, 2 AND 3 FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE MADE A PART HEREOF. ONCE SIGNED, LESSEE MAY NOT CANCEL THE LEASE OR RETURN THE EQUIPMENT UNTIL THE TERM ENDS.