

## EQUIPMENT LEASE AGREEMENT

This Equipment Lease Agreement (the "Lease") is made and effective as of \_\_\_\_\_, 2016 (the "Effective Date") by and between Greyhawk Video Solutions LLC (the "Lessor") and \_\_\_\_\_, (the "Lessee"). The Lessor and the Lessee may be referred to individually as a "Party" or collectively as the "Parties."

### RECITALS

**WHEREAS**, the Lessor is the [sole] owner of that certain equipment described more particularly in Exhibit A hereto and made a part hereof by reference (the "Equipment"); and

**WHEREAS**, the Lessee wishes to lease the Equipment from the Lessor in accordance with the terms and conditions of the Lease; and

**WHEREAS**, the Lessor wants to lease the Equipment to the Lessee in accordance with the terms and conditions of the Lease; and

**WHEREAS**, each Party is duly authorized and capable of entering into this Lease;

**NOW, THEREFORE**, in consideration of the above recitals and the mutual promises and benefits contained herein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties hereby agree as follows:

#### 1. LEASE OF EQUIPMENT.

Effective as of the Effective Date, the Lessor agrees to lease and deliver to the Lessee, and the Lessee agrees to lease and accept delivery from the Lessor, all of its right and interest in and to the Equipment. Thereafter such equipment shall be subject to the terms of this Lease and considered "Equipment" for all purposes hereunder.

#### 2. TERM.

The rental term (the "Term") shall be for a period of **\_24 Days**, commencing on the later of the following: (a) the Effective Date; or (b) the date the Lessee receives the Equipment. At the end of the Term, Lessee shall, at its election, sign a new Lease with the Lessor [or] surrender the Equipment to the Lessor [, or purchase the Equipment as provided in Section 18 hereto].

### **3. RENTAL PAYMENTS.**

As consideration for the Lease, the Lessee agrees to pay in advance to the Lessor the amount of \_\_\_\_\_One Hundred Forty Dollars\_(\$140.00\_) for 24 days (the "Rent"), starting on the Effective Date.

### **4. SECURITY DEPOSIT.**

Before taking possession of the Equipment, the Lessee shall AUTHORIZE a security deposit HOLD to the Lessor in the amount of\_Three hundred dollars (\$300.00), which shall be released to the Lessee at the end of the Term; provided, however, that the return of such security deposit shall be contingent on the return of the Equipment to the Lessor in good condition, ordinary wear and tear excepted. The funds shall remain in authorized status until the end of the lease. The funds not covered by the rental agreement and or loss or damage will be released to the account of the Lessee at the end of the lease.

### **5. OWNERSHIP.**

Except for Lessee's rights of use under this Lease, the Equipment is and shall at all times be and remain the exclusive personal property of the Lessor, even if installed in or attached to real property by the Lessee, The Lessee shall have no right, title, or interest in or to the Equipment except as expressly set forth in this Lease.

### **6. CARE, USE, AND MAINTENANCE OF EQUIPMENT.**

- (a) The Lessee shall keep the Equipment in good condition and pay for all necessary repairs and replacements at its own cost and expense.
- (b) The Lessee agrees that the Equipment will be operated by the Lessee only and used solely in the conduct of its business.
- (c) The Lessee shall use the Equipment carefully and properly, and in compliance with all federal, state, and local laws.
- (d) Lessee agrees to keep and use the Equipment only in the ordinary course of its business.
- (e) Lessee shall not make any alterations or additions to the Equipment without the Lessor's prior written consent.
- (f) The Lessee shall notify the Lessor promptly of any loss, theft, or destruction of all or any part of the Equipment, or of any damage beyond repair to the Equipment, and shall make the Equipment or any wreckage available for disposal.

- (g) The Lessee shall not assign, sublease, or transfer the Equipment without the Lessor's prior written consent.

## **7. LESSOR'S REPRESENTATIONS AND WARRANTIES.**

The Lessor hereby represents and warrants to the Lessee as follows:

- (a) THE LESSOR HAS THE RIGHT TO LEASE THE EQUIPMENT, AS PROVIDED IN THIS LEASE, AND DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE DESIGN OR CONDITION OF THE EQUIPMENT, AND IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- (b) During the Term and subject to the terms and provisions hereof, the Lessor shall not interrupt the Lessee's possession and use of the Equipment if the Lessee performs and observes all the conditions set forth herein.
- (c) The Lessor assigns to the Lessee any assignable warranty, whether express or implied, affecting the Equipment.

## **8. LESSEE'S REPRESENTATIONS AND WARRANTIES.**

The Lessee hereby represents and warrants to the Lessor as follows:

- (a) The Equipment is in good condition and of a type, size, design, and capacity selected solely by the Lessee, and each item of Equipment is being leased for use in the conduct of the Lessee's business.
- (b) If, after the Effective Date, the Equipment does not operate properly, or is unsatisfactory for any reason, the Lessee shall make any claim on account thereof to the Lessor immediately.
- (c) The Lessee shall bear all expenses incurred or related to any claims made or actions taken on any assigned warranty. Any cash or cash equivalent recovered under any such warranty shall be made payable to the Lessor and, in the Lessor's sole discretion, shall be used to repair or replace the Equipment.
- (d) The Lessee shall pay Rent to the Lessor even if the Equipment's supplier or manufacturer breaches any warranty or representation.
- (e) All documents delivered by the Lessee in connection with this Lease have been duly authorized by all necessary action on the part of the Lessee.

- (f) The execution, delivery, and performance of this Lease do not violate any law or governmental rule, regulation, or order applicable to the Lessee.

## **9. INSURANCE.**

During the Term, the Lessee may procure, maintain, and pay for insurance in such form and with such company satisfactory to the Lessee at their discretion.

This insurance shall provide primary coverage for the protection of the Parties without regard to any other coverage carried by either Party protecting against similar risks.

Should the Lessee choose not to insure the Equipment, the Lessee is solely responsible for any damages up to and including replacement at the full retail price of \$450.00.

## **10. LIABILITY FOR LOSS AND DAMAGE.**

If the Equipment is damaged or lost while in the Lessee's possession, the Lessee shall be responsible for such damage or loss and shall pay to the Lessor the value of the lost or damaged Equipment. For purposes of calculating the Lessee's payment obligations, the value of the Equipment shall be listed in Exhibit A. On receipt of any such payment, the Lessor shall, to the extent of the amount paid, assign to the Lessee any of its rights with respect to the damaged or lost Equipment under any insurance policy, together with all of the Lessor's interest in the Equipment.

## **11. DEFAULT.**

The occurrence of any of the following events (each an "Event of Default") shall constitute a default of this Lease:

- (a) The failure to make a required payment under this Lease as and when due, including but not limited to Rent, interest charges, sums due as an indemnity, excess item expenses, or other charges;
- (b) The breach or violation by the Lessee of any term, covenant, promise, agreement, representation, or warranty of this Lease;
- (c) The insolvency or bankruptcy of the Lessee;

- (d) Any default, breach, or violation of or under any debenture, bond, or evidence of indebtedness of the Lessee; or
- (e) Subjection of any of the Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or government agency.

## **12. RIGHTS OF LESSOR ON DEFAULT.**

On the occurrence of any Event of Default under Section 13, the Lessor shall have the right, without notice or demand, to terminate this Lease and take possession of the Equipment, in addition to any other rights afforded to the Lessor by law. The Lessee shall not be released from paying damages sustained by the Lessor on such termination. If on any termination of this Lease the Lessee fails or refuses to deliver the Equipment to the Lessor, the full retail price shall be charged against the deposit hold. The Lessee expressly waives all further rights to possession of the Equipment and all claims for injury suffered through or loss caused by the repossession. The Lessee shall pay all expenses, including attorneys' fees, the Lessor incurs to enforce this Lease. All of the Lessor's remedies are cumulative and may be exercised concurrently or separately.

## **13. INDEMNITY.**

The Lessee shall indemnify the Lessor against all losses, damages, claims, suits, actions, costs, expenses, obligations, or disbursements, including legal expenses, incurred by the Lessor in any way connected to the Lessee's use or possession of the Equipment during the Term.

## **14. RETURN OF EQUIPMENT.**

At the end of the Term, unless the Lessee opts to renew the Lease, the Lessee shall be obligated to return the Equipment to the Lessor at the Lessee's expense.

A fee of \$10.00 per day will be assessed for late equipment. After reaching a point of 7 days late, and with no communication from the lessee, the full deposit will be charged and the equipment and all rights will be transferred to the lessee.

## **15. SUCCESSORS AND ASSIGNS.**

All references in this Lease to the Parties shall be deemed to include, as applicable, a reference to their respective successors and assigns. The provisions of this Lease shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

#### **16. NO IMPLIED WAIVER.**

The failure of either Party to insist on strict performance of any covenant or obligation under this Lease, regardless of the length of time for which such failure continues, shall not be deemed a waiver of such Party's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Lease shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation.

#### **17. OPTION TO RENEW.**

If the Lessee is not in default at the end of this Term, the Lessee shall have the option to renew the Lease for a similar term on such terms and conditions as the Parties may agree at the time of such renewal.

#### **18. OPTION TO PURCHASE.**

- (a) If the Lessee does not violate any terms and conditions of this Lease, the Lessee shall, at the end of the Term, have the option to purchase the Equipment at a price of \$450.00 minus any and all lease payments already paid on a consecutive lease. The Lessee shall exercise this option by giving notice in writing to the Lessor at least   5   days before the end of the Term.
- (b) The Lessee shall pay the Purchase Price to the Lessor within   7   days after the end of the Term.

#### **19. NOTICE.**

Any notice or other communication provided for herein or given hereunder to a Party hereto shall be in writing and shall be given in person, by overnight courier, or by mail (registered or certified mail)

#### **20. GOVERNING LAW.**

This Lease shall be governed by the laws of the state of   NORTH CAROLINA  . In the event that litigation results from or arises out of this Lease or the performance thereof, the Parties agree to reimburse the prevailing Party's reasonable attorneys' fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing Party may be entitled.

## **21. COUNTERPARTS/ELECTRONIC SIGNATURES.**

This Lease may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. For purposes of this Lease, use of a facsimile, e-mail, or other electronic medium shall have the same force and effect as an original signature.

## **22. SEVERABILITY.**

Whenever possible, each provision of this Lease, will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Lease is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other provision or any other jurisdiction, but this Lease will be reformed, construed, and enforced in such jurisdiction as if such invalid, illegal, or unenforceable provisions had never been contained herein.

## **23. ENTIRE LEASE.**

This Lease, together with Exhibit A and any and all other subsequently added schedules and exhibits, constitutes the final, complete, and exclusive statement of the agreement of the Parties with respect to the subject matter hereof, and supersedes any and all other prior understandings, both written and oral, between the Parties.

## **24. HEADINGS.**

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

**IN WITNESS WHEREOF**, the Parties have executed this Lease as of the date first above written.

**LESSOR**

Greyhawk Video Solutions LLC

By: Wiley D Thomas\_\_\_\_\_

Title: CEO

**LESSEE**

PRINTED NAME

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SIGNATURE

X\_\_\_\_\_

DATE\_\_\_\_\_

**EXHIBIT A**

**INVENTORY OF EQUIPMENT LEASED**

<b>Model Serial No.</b>	<b>Manufacturer</b>	<b>Description</b>	<b>Quantity(No.)</b>
PV 500 L3	Lawmate	DVR for Covert Video	1
BU-18 /Button Kit	Lawmate	Hi Res Button Camera	1
Gear Case	Vaultz	Hi impact gear case	1
Wall Charger	Lawmate	Plug in Charger	1

**REQUIRED REPLACEMENT COST PER ITEM**

<b>PV-500 L3</b>	<b>\$349.99</b>
<b>BU-18 Button Camera</b>	<b>\$169.99</b>
<b>Gear Case</b>	<b>\$50.00</b>
<b>Wall Charger</b>	<b>\$25.00</b>
<b>COMPLETE KIT REPLACEMENT</b>	<b>\$450.00</b>

\_\_\_\_\_ INITIALS OF LESSEE

