

Magna-Power Lease Agreement

Lessee (Billing address)

Company Name:

Person's Name:

Billing Address:

City, State Zip:

Phone:

Email:

Lessee (Shipping address, if different from above)

Company Name:

Person's Name:

Billing Address:

City, State Zip:

Phone:

Email:

Signature

In witness whereof, each party has caused this agreement to be executed on the date indicated below.

Lessor:

Lessee:

Signature:

Signature:

Name (Printed):

Name (Printed):

Title:

Title:

Date Signed:

Date Signed:

All payments are to be made to:

Magna-Power Electronics, Inc.

Attn: Accounts Payable

39 Royal Road

Flemington, NJ 08822

Equipment

Model Number:

Serial Number:

Up-Front Payments

The up-front payments are for the initial term of the lease. The lease may be extended by request or if the unit is not returned, subject to the monthly payments as described in the section "Recurring Payments."

Initial Term:

Payment:

Recurring Payments:

The recurring payments are for extension of the lease or in the event the unit is not returned.

Recurring Term:

Payment per Term:

Note: If equipment is on lease for evaluation purposes for an amount of zero dollars, the monthly lease amount will begin if equipment not returned in the period defined by this lease agreement.

Security Deposit

A valid credit card (Visa / MasterCard) number must be kept on file in the event the unit is returned damaged. All charges will be confirmed with Lessee before charged and the Lessee will have the option of making another form of payment in the event of damage.:

Card Number:

Expiration:

Name on the Card:

Security Code:

Billing Address:

Terms and conditions

Term

The term of this lease is for _____ month(s) and commences on the date Magna-Power Electronics, Inc. ships the equipment to the lessee. The term ends on the expiration of the number of months in the initial term after the lease commencement date unless otherwise extended.

Lease

Unless otherwise stated on the face of this document (a) rates quoted are for three (3) month rental period; (b) minimum rental period is (3) months.

Lessee shall pay the lease payments shown above, for the initial term of the lease. Subsequent payments shall be due each month (or other calendar period indicated above) after the lease term has ended on a billing date established by Magna-Power Electronics, Inc., until the leased equipment is returned. Lease payments shall be due whether or not lessee has received any notice that such payments are due.

Lease to purchase

The lessee is given the option to purchase the unit after the minimum three (3) month period. 100% of the first month's rental payment will be deducted from the unit's purchase cost. 50% of the subsequent five (5) months' rental payment will be deducted from the unit's purchase cost. After the first six (6) months, no further rental payments will be accrued into the purchase cost discount.

Credit information

Lessee certifies that the application, statements, trade references, and financial reports submitted by lessee to Magna-Power Electronics, Inc. are material inducements to the granting of this lease and that any material misrepresentation shall constitute a default under this lease.

Indemnity

Lessee shall indemnify Magna-Power Electronics, Inc. against, and hold Magna-Power Electronics, Inc. harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including reasonable attorney fees arising out of, connected with, or resulting from the property subject to this lease, including, but not limited to the manufacture, selection, delivery, use, operation, or return of such property.

Loss or Damage

Lessee assumes and shall bear the entire risk of loss, theft, destruction, or damage of or to any part of the equipment ("loss or damage") from any cause whatsoever, whether or not covered by insurance, and no such loss shall release lessee of its obligation under this agreement in the event of loss or damage. Lessee, at the sole option of Magna-Power Electronics, Inc., shall pay for damages incurred to unit over the course of the lease, which are not covered in Magna-Power Electronics' warranty policy. In the event of loss, theft, or destruction during lease, lessee will be responsible for the total cost of the unit less any incurred credit payable to Magna-Power Electronics, Inc. as described in the section titled "Right to Purchase."

Assignability

Without Magna-Power Electronics, Inc.'s prior written consent, lessee shall not (a) assign, transfer, pledge, or otherwise dispose of this lease, the equipment, or any interest therein or (b) sublet or lend the equipment or permit it to be used by anyone other than lessee or lessee's employees.

Title; Personal Property

The equipment is, and shall at all times remain, property of Magna-Power Electronics, Inc., and lessee shall have no right, title, or interest except as expressly set forth in this lease. Ownership labels shall not be removed, obscured or defaced. Lessee shall not make any alterations, additions or modifications to the equipment and shall use it only for the purpose and in the manner intended by the manufacturer. All additions or improvements to the equipment of any kind or nature made by lessee shall become component parts of the equipment, and title shall immediately vest in Magna-Power Electronics, Inc. and be governed by the terms of this lease.

Location and Maintenance

At lessee's own risk, lessee shall use or permit the use of the equipment solely at the location specified in this lease, or if none is specified, at lessee's billing address set forth above, and such equipment shall not be moved without Magna-Power Electronics, Inc. prior written consent. Lessee, at lessee's expense, shall maintain the equipment in good repair, condition, and functional order, shall not use the equipment unlawfully, and shall not alter the equipment without Magna-Power Electronics, Inc.'s prior written consent. Magna-Power Electronics, Inc. shall not be liable for loss of profit or other consequential damages resulting from the theft, destruction, or disrepair of the equipment, and there shall be no abatement of lease payments on account of any such theft, destruction, or disrepair.

Upon notice from lessee during the course of rental and upon return of the equipment by lessee, Magna-Power Electronics, Inc. will repair or calibrate malfunctioning equipment; provided, however, that such repair or calibration shall be at lessee's expense if lessee has misused or abused the equipment. Malfunctioning equipment replaced by Magna-Power Electronics, Inc. must be returned by lessee within the shorter of ten (10) calendar days after shipment of the replacement equipment or the sooner expiration of the rental term. Malfunctioning equipment not returned will still be subject to monthly rental charges.

Surrender

On expiration of the lease term or on demand by Magna-Power Electronics, Inc. pursuant to Section Thirteen, lessee, at lessee's expense, shall return the equipment in good repair, ordinary wear and tear excepted, to such place or on board such carrier, packed for shipping, as Magna-Power Electronics, Inc. may specify.

Right to Purchase

At the discretion of Magna-Power Electronics, Inc., the lessee is given the option to purchase the unit after the minimum three (3) month period. If Magna-Power Electronics, Inc. gives the lessee the right to purchase the equipment; the sale would be subject to the following terms and conditions:

1. Title to the equipment remains with and is retained by Magna-Power Electronics, Inc. until the purchase price is paid in full.
2. Lessee will receive credit from rental fees that have already been paid in full to Magna-Power Electronics, Inc. The amount credited is 100% of the first month's rental payment and 50% of the subsequent five (5) months' rental payment.
3. The sale of the equipment is subject to all other Terms and Conditions for sales put fourth by Magna-

Power Electronics, Inc.

4. Equipment will carry the same warranty issued for non-rental equipment. Warranty period begins from the first day the rental began.

Defaults and Remedies

- A. Lessee shall be in default under this lease if lessee shall:
 1. Failure to pay any rent, the payments on any other lease or indebtedness of lessee to Magna-Power Electronics, Inc. arising independently of this lease, or other amount required in this lease within one (1) month after the rent becomes due and payable;
 2. Fail to perform or observe according to its terms any covenant contained in this lease, or any other instrument or document executed in connection with this lease;
 3. Become insolvent (however defined), cease business as a going concern, make an assignment for the benefit of creditors, or cause a petition for receiver or in bankruptcy to be filed by or against lessee (including a petition for reorganization or an arrangement); or
- B. If lessee is in default under this lease, Magna-Power Electronics, Inc., with or without notice to lessee, shall have the right to exercise concurrently or separately, and without any election of remedies to be deemed made, the following remedies:
 1. Elect that the rental payments due be accelerated and the entire amount of rental be due immediately;
 2. Terminate this lease; or
 3. Enter on lessee's premises and without any court order or other process of law repossess and remove the equipment, whether with or without notice to lessee.

Service Charge

If any rental installment is not paid within 30 days after its due date, lessee shall pay to Magna-Power Electronics, Inc. a service charge equal to 10% of the monthly rental cost together with any expenses incurred in collecting the late payment.

Security Deposit

Any security deposit made pursuant to this lease may be applied by Magna-Power Electronics, Inc. to cure any default by lessee of any indebtedness to Magna-Power Electronics, Inc. and lessee shall promptly restore the security deposit to the full original amount.

Tax Consequences

Magna-Power Electronics, Inc. assumes no liability and makes no representation as to the treatment of this lease agreement by any federal, state, or local taxation authority.

Miscellaneous

This instrument constitutes the entire agreement between Magna-Power Electronics, Inc. and lessee and is irrevocable for its term and for the aggregate rentals reserved above, and it shall not be amended, altered, or changed except by a written agreement signed by the parties. Lessee shall provide Magna-Power Electronics, Inc. with such corporate resolutions, opinions of counsel, financial statements, and other documents (including UCC Financing Statements and other documents for filing or recording) as Magna-Power Electronics, Inc. shall request from time to time. If more than one lessee is named in this lease, the liability shall be joint and several. Time is of the essence of this lease. Any failure of Magna-Power Electronics, Inc. to require strict performance by lessee or any waiver by Magna-Power Electronics, Inc. of any provision of the lease shall not be construed as a consent or waiver of any other breach of the same or any other provision. If any portion of this lease is deemed to be invalid, it shall not affect the rest of this agreement. Headings or titles to the paragraphs of this lease are solely for the convenience of the parties and not an aid to the interpretation of this agreement.

Lessee applies to Magna-Power Electronics, Inc. for a lease of the above-described property for commercial purposes and agrees that this lease is not to be construed as a consumer contract. If Magna-Power Electronics, Inc. accepts by executing the lease below, lessee agrees to rent from Magna-Power Electronics, Inc. and Magna-Power Electronics, Inc. agrees to rent to lessee, the equipment, on all of the terms and conditions of this lease.

Lessee certifies that all credit and financial information submitted is true and correct and authorizes Magna-Power Electronics, Inc. or any prospective creditor to investigate lessee's credit worthiness and disclose information and investigation results to each other.