

Lease Agreement between Phasset USA Inc and American Equipment Finance

Dear Mr. Menkin

Following to our conversation regarding my dealings with American Equipment Leasing please review the documents attached to this letter.

On February 16, 2005 we received a proposal to lease a Brembana Concept Y1700 with the payment outlined. (see exhibit # 1) This proposal was based on a 10 % down payment.

On February 28, 2005 it was brought to our attention that we would need 20% down payment in order to qualify us for the lease on the machine. This would lower our monthly payments as was described on the Lease Proposal.

On February 28, 2005 I signed a Lease Approval indicating that I agreed and accepted the terms. (see exhibit #3)

Thereafter we were told to deal with MFR (Machinery Finance Resources) who sent a complete lease contract to us to sign. Please note that we were **never** told at any time that we were being referred to another leasing company. It was always referred to as "Our Bank" and therefore we always thought that we were dealing with American Equipment Finance. For the contract please refer to exhibit #4.

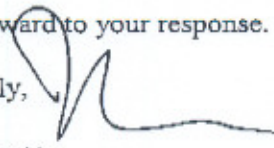
On July 7 2005 American Equipment Finance sent us a letter advising us that all payments should be remitted to them, only to find that this was later cancelled and then we were told to pay Machinery Finance Resources. See exhibit # 5

Finally you will also find letters addressed to American Equipment Leasing asking them to verify how the two payments of \$3 700.00 were being applied to the lease since it had not been reflected. Please find attached some of the response I have gotten from American Equipment Leasing.

I appreciate the time you have taken to speak to me in this regard and trust that you can help me better understand our position as a company with this misleading lease agreement we have with American Equipment Finance.

I look forward to your response.

Yours truly,


Denis Phocas
C.E.O

Phasset USA Inc dba Alpha Granite
2215 Investment Drive
Pflugerville, Texas 78660

Denis Phocas

From: Len Baccaro [lbaccaro@AEFLLC.COM]
Sent: Friday, May 12, 2006 1:50 PM
To: Denis Phocas
Subject: RE: Phasset USA Inc dba Alpha Granite - Equipment Finance through Steve Shabazian
Attachments: 20060512143605357.pdf

See attached. Sorry for the confusion.

-----Original Message-----

From: Denis Phocas [mailto:denis@alphagraniteaustin.com]
Sent: Friday, May 12, 2006 2:37 PM
To: Len Baccaro
Subject: RE: Phasset USA Inc dba Alpha Granite - Equipment Finance through Steve Shabazian

Len

I do not have a copy of the document showing the amount was for a "fee". Please could you fax me a copy to 512 491 5306.
 Thank you
 Denis

From: Len Baccaro [mailto:lbaccaro@AEFLLC.COM]
Sent: Friday, May 12, 2006 1:12 PM
To: Denis Phocas
Subject: RE: Phasset USA Inc dba Alpha Granite - Equipment Finance through Steve Shabazian

Denis, we have repeatedly told you that this money was our "fee" for doing this financing. We have a signed document from you showing that you agreed to pay us this. I have no idea why you keep asking the same question over and over again. Do you have that document?

-----Original Message-----

From: Denis Phocas [mailto:denis@alphagraniteaustin.com]
Sent: Friday, May 12, 2006 2:12 PM
To: Len Baccaro
Cc: dsenk@mfresources.com; caras@icon.co.za; Sonia Phocas
Subject: Phasset USA Inc dba Alpha Granite - Equipment Finance through Steve Shabazian

Dear Mr Baccaro

I have been referred to you by Deborah Senk who is the Sales Administrator at Machinery Finances Resources in order to address two advance payments made to your company for the equipment that Phasset USA Inc, dba Alpha Granite has leased. These advance payments have not been paid to Machinery Finance Resources Inc.

According to our lease agreement with MFR we have the following obligation:

Cost Of Equipment:	US \$ 189 500.00
Deposit Paid:	US \$ 37 900.00
60 Payments @	US \$ 3 207.00 per month
Purchase Option	US \$ 1.00 at end of term.

5/31/2006

Over and above this we made 2 advance payments equaling \$ 7 400.00 to American Equipment Leasing which has not been paid to Machinery Finance Resources. Please address this for me and let me know when you will be paying MFR these two advance payments.

Sincerely

Denis Phocas

C.E.O
Alpha Granite
2215 Investment Drive
Pflugerville
Texas, 78660

5/31/2006



AMERICAN
Equipment Finance LLC
258 King George Road
Warren NJ 07059

To: Dionissios Phocas
Company: Phasset USA Inc. dba
Phone: 512-834-8746
Fax: 512-491-5306

From: Steve Shabazian
Phone: 908-542-9330 Ext. 204
Fax: 908-542-9333
Date: February 22, 2005

Pgs incl. cover: 1

RE: Wiring Instructions

Dennis per our conversation below are the wiring instructions for the \$7400.00 to American Equipment Finance. Please fax me a copy of the confirmation once it is done. Also fax me a copy of the check you will be sending directly to CMS.

Commerce Bank
American Equipment Finance LLC

Account Number: 7850580718
Routing Number: 031201360

Thanks Dennis. Please give me a call with any questions. Steve.



FACSIMILE TRANSMITTAL SHEET

TO: <i>Debbie SENK</i>	FROM: <i>Denís Phocas</i>
COMPANY: <i>M.F.R.</i>	DATE:
FAX NUMBER: <i>1 (860) 676 0394</i>	TOTAL NO. OF PAGES INCLUDING COVER: <i>2</i>
PHONE NUMBER: <i>860 676 0395</i>	SENDER'S REFERENCE NUMBER:
RE: <i>LEASE AGREEMENT # 501640</i>	YOUR REFERENCE NUMBER:

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

NOTES/COMMENTS:

Hello Debbie

Following our telephonic conversation regarding the above lease agreement, I have a fax from Steve Shabazian regarding the \$7400.00 advance rental payments.

This payment has not been reflected on our lease agreement. Please look into this and let us know what has happened to those funds

*Many Thanks
Denís Phocas.*

2215 INVESTMENT DRIVE
 PFLUGERVILLE, TX 78660
 TEL: 512 834 8746 SALES: 512 576 4458 FAX: 512 491 5306
 ALPHAGRANITEAUSTIN.COM

March 15, 2005

VIA FEDERAL EXPRESS

Mr. Dionissios Phocas, President
Phasset USA Inc dba Alpha Granite
2215 Investment Drive
Pflugerville, TX 78660

Dear Mr. Phocas,

Enclosed please find a second document package to replace the package previously sent. Please handle as follows:

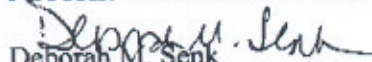
- 1) Master Certificate of Incumbency – Please have the Corporate Secretary sign and date the bottom. The authorized signators for these documents should be written in the middle of the document along with the capacity in which they will be signing. Their specimen signature is required on this form. Please note, the people listed in this middle section will be the only people authorized to execute the documents.
- 2) Lease Agreement – sign page 1 at the bottom and initial the bottom of pages 2 and 3.
- 3) Guaranty – please sign in the middle of page 1 of the lease agreement. Please note that your signature must be witnessed.
- 4) Schedule A – initial under the equipment description.
- 5) Certificate of Acceptance – please retain this document until the equipment is delivered and acceptable. At that time please fill in the Acceptance Date, have the bottom signed, and return to MFR.
- 6) Lease Addendum Purchase Option – sign the bottom.
- 7) Prepayment Letter regarding advance payments to CMS– please sign.
- 8) Disclaimer of Ownership – please sign.
- 9) Consent and Waiver – this needs to be signed by the landlord of the property and returned to MFR.
- 10) Insurance Letter – complete your insurance agent's information and sign the bottom.
- 11) Tax Exempt Cert – Please fill in the required information and sign in the space provided.

Please return the fully executed documents along with your check in the amount of \$400.00 as described on the enclosed invoice to my attention via Federal Express at your earliest convenience. You may call Federal Express at 1-800-463-3339 to schedule a pick-up, and bill our FE account number 2958-8478-9.

If you should have any questions in this regard please do not hesitate to contact me at the above phone number.

Very truly yours,

MACHINERY FINANCE RESOURCES, INC.


Deborah M. Senk
Sales Administrator



MASTER CERTIFICATE OF INCUMBENCY

The undersigned being duly elected and acting as Secretary of PHASSET USA INC. dba ALPHA GRANITE (the "Lessee") does hereby certify that the person or persons listed below are authorized representatives of the Lessee in the capacity set forth opposite their names and that their signatures are true and correct and, as of the date hereof, have proper corporate power and authority to execute and deliver any Lease documents and other documents related to entering into a Lease Agreement with Machinery Finance Resources, Inc., and all documents required thereunder.

Name (Print)

Title

Sample Signature

Dionissios Phocas

President

ψ I hereby attest that this information is true and correct as of this 17th day of MARCH, 2005.

PHASSET USA INC. dba ALPHA GRANITE

ψ [Handwritten Signature]

3/21/2005

Title: Secretary

Lease Agreement



Machinery Finance Resources, Inc.
 17 Talcott Notch Road Farmington, CT 06034
 With Questions call: (888) 676-0834 FAX TO: (860) 676-0394

For Office Use Only

Lease Agreement Number: 501640

Lease Agreement Date: March 4, 2005

Rental Commencement Date: _____

Lessee Information

Lessee's Full Legal Name
Phasset U S A Inc DBA Alpha Granite

Street Address 500 Victor Street, Bldg 1-900	County Travis	City Austin	State TX	Zip Code 78753
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Location of Equipment
 Same

Equipment

Qty.	Serial #	Description	See Schedule A for any additional equipment
Initial Term of Lease (Months) Sixty One (61)			
Amount of Each Lease Payment		Plus applicable sales/ use taxes	Purchase Option: One Dollar (\$1.00) as more fully described on the Lease Addendum/Purchase Option attached hereto and made a part hereof.
#1	\$37,900.00		
#2 - 61	\$3,207.00		
Payment Period: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Other			COST OF EQUIPMENT/AMOUNT FINANCED: \$189,500.00

Advance Payments

First Payment in Advance Plus Documentation Fee
Security Deposits will be refunded upon expiration of the Lease provided Lessee is not in default of any of the terms and conditions of the Lease.

Personal Guaranty

THIS PERSONAL GUARANTY CREATES SPECIFIC LEGAL OBLIGATIONS.
 In consideration of Lessor entering into the lease agreement identified above ("Lease"), the undersigned Personal Guarantor (hereinafter "You") unconditionally and irrevocably guarantees to Lessor, its successors and assigns, the prompt payment and performance of all obligations of the Lessee identified in this Lease. You agree that this is a guaranty of payment and not of collection, and that Lessor can proceed directly against you without first proceeding against the Lessee or against the equipment covered by the Lease. You waive all notices and defenses, based upon suretyship or impairment of collateral, including but not limited to release of collateral or failure to perfect a security interest. You agree that Lessor can renew, extend or otherwise modify the terms of the Lease and you will be bound by such changes. If the Lessee defaults under the Lease, you will immediately perform all obligations of the Lessee under the Lease including, but not limited to, paying all amounts due under the Lease. You will pay to Lessor all expenses INCLUDING ATTORNEYS' FEES incurred in enforcing Lessor's rights against you or the Lessee. This is a continuing guaranty that will not be discharged or effected by your death and will bind your heirs and personal representatives. You waive any rights to seek repayment from the Lessee in the event you must pay Lessor. If more than one guarantor has signed this Personal Guaranty, each of you agree that your liability is joint and several. You authorize Lessor or any of Lessor's agents to obtain credit bureau reports regarding your personal credit and to make other credit inquiries that Lessor determines are necessary.

THIS PERSONAL GUARANTY IS GOVERNED BY THE LAWS IN THE JURISDICTION OF LESSOR OR ANY ASSIGNEE OF LESSOR. YOU CONSENT (AND THE LESSEE HAS CONSENTED) TO THE EXCLUSIVE JURISDICTION OF ANY COURT LOCATED WITHIN THE JURISDICTION OF AS STATED ABOVE. YOU EXPRESSLY WAIVE (AS HAS THE LESSEE) ANY RIGHT TO A TRIAL BY JURY.

Personal Guarantor #1 Name: Dionissios Phocas	Personal Guarantor #2 Name:	Personal Guarantor #3 Name:	Personal Guarantor #4 Name:
<input checked="" type="checkbox"/> 3/17/05 <input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(an individual) Date	(an individual) Date	(an individual) Date	(an individual) Date
<input checked="" type="checkbox"/> 03/17/05		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Witness Date	Witness Date	Witness Date	Witness Date

TERMS & CONDITIONS

1. By signing this Lease, Lessee acknowledges and agrees that: It has read and understands the TERMS AND CONDITIONS OF THIS LEASE; this Lease becomes effective only upon written acceptance by an authorized employee of Lessor; this is a net lease; it cannot terminate or cancel this Lease; it has an UNCONDITIONAL OBLIGATION to make all payments due under this Lease; it cannot withhold, set off or reduce such payments for any reason; it will use the Equipment only for business purposes; the person signing this Lease has the authority to do so and to grant the POWER OF ATTORNEY set forth in paragraph 11 herein; it entered into this Lease rather than purchase the Equipment. **THIS LEASE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CONNECTICUT; AND TO THE JURISDICTION OF ANY COURT LOCATED IN THE STATE OF CONNECTICUT. YOU EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY.**

Lessee: Phasset U S A Inc DBA Alpha Granite	Lessor: Machinery Finance Resources, Inc.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Authorized Signature	Authorized Signature
Dionissios Phocas, President	John Fitzgerald, President
Print Name and Title	Print Name and Title
3/17/05	
Date	Date

THIS LEASE IS NON-CANCELABLE

2. **LEASE.** Lessee agrees to Lease from Lessor the Equipment identified on the Lease Agreement and/or the Schedule A attached and made a part of this Lease.

3. **DISCLAIMER OF WARRANTIES; LIMITATION OF LIABILITY.** LESSOR IS LEASING THE EQUIPMENT TO THE LESSEE "AS-IS". LESSEE ACKNOWLEDGES THAT THE LESSOR DOES NOT MANUFACTURE THE EQUIPMENT, LESSOR DOES NOT REPRESENT THE MANUFACTURER OR THE SUPPLIER, AND LESSEE HAS SELECTED THE EQUIPMENT AND SUPPLIER BASED UPON LESSEE'S OWN JUDGMENT. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, NOR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE. LESSEE AGREES THAT REGARDLESS OF CAUSE, LESSOR IS NOT RESPONSIBLE FOR AND LESSEE WILL NOT MAKE ANY CLAIM AGAINST LESSOR FOR ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL, OR INDIRECT. LESSEE AGREES THAT NEITHER SUPPLIER NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF SUPPLIER IS LESSOR'S AGENT OR HAS ANY AUTHORITY TO SPEAK FOR LESSOR OR TO BIND LESSOR IN ANY WAY. LESSOR TRANSFERS TO LESSEE FOR THE TERM OF THIS LEASE ANY WARRANTIES MADE BY THE MANUFACTURER OR SUPPLIER UNDER A SUPPLY CONTRACT.

4. **ORDERING EQUIPMENT, DELIVERY AND ACCEPTANCE.** If Lessee entered into any purchase or supply contract with any supplier, Lessee assigns to Lessor Lessee's rights under the supply contract, but none of Lessee's obligations, except for the obligation to pay for Equipment if it is accepted by Lessee according to the terms of this Lease. If Lessee has not entered into a supply contract, Lessee authorizes Lessor to enter into a supply contract. Lessee shall arrange for the delivery of the Equipment to Lessee. Lessee shall inspect the Equipment immediately upon Lessee's receipt of the Equipment to determine if it is in good working condition. The Equipment will be deemed accepted by Lessee upon the delivery to Lessor of a signed Certificate of Acceptance ("Acceptance Date").

5. **TERMINATION BY LESSOR.** Lessor shall have the exclusive option to terminate this Lease if within 90 days after Lessee has signed this Lease, the Equipment has not been delivered to Lessee, or Lessee has not accepted the Equipment as provided in paragraph 4.

6. **TERM AND LEASE PAYMENTS.** The term of this Lease commences upon the date on which the Equipment is delivered to Lessee and accepted by Lessee's execution of a Certificate of Acceptance for the Equipment ("The Term Commencement Date") and ends upon the expiration of the number of months specified on the front of this Lease under "Initial Term of Lease". The Lessee shall pay as rent the Total Lease Payments Indicated on the front of this Lease plus applicable taxes ("Lease Payment"). The first Lease Payment is due on the Term Commencement Date, and each remaining periodic Lease Payment is due on the same day of each payment period thereafter for the initial term of lease. No portion of any Lease Payments shall be deemed to constitute payment for any equity interest in the Equipment. If any payment due under this Lease is not paid within 5 days of its due date, Lessee shall pay Lessor a late fee not to exceed 5% of each late payment, plus interest on such delinquent payment of 1.5% per month (or such lesser rate as is the maximum rate allowed by applicable law). Lessee authorizes Lessor to insert in this Lease as "Tax on Lease Payment" and "Total Lease Payment" the appropriate amounts when same are determined by Lessor.

7. **EQUIPMENT LOCATION; USE AND REPAIR; RETURN.** Lessee will keep and use the Equipment only at the Equipment Location shown on the front of this Lease. Lessee may not move the Equipment without Lessor's prior written consent. At Lessor's own cost and expense, Lessee will keep the Equipment in good repair, condition and working order. All alterations, additions and replacements will become part of the Equipment and Lessor's property at no cost or expense to Lessor. Lessor may inspect the Equipment at any reasonable time. Unless Lessee purchases the Equipment at the end of this Lease, Lessee will immediately deliver the Equipment to Lessor at any place in the United States that Lessor tells Lessee. Lessee will pay all expenses of deinstalling, crating, and shipping. Lessee shall insure the Equipment for its full replacement value during shipping. Upon notice of its intention to return, Lessee will return the Equipment in the same condition as of the Acceptance Date (ordinary wear and tear resulting from proper use excepted). Lessee shall provide a letter from the manufacturer certifying that the Equipment has been inspected and tested and meets all current specifications of the manufacturer and is in compliance with all pertinent governmental and regulatory rules, laws or guidelines for its operation or use. The lease term will continue upon the same terms and conditions until re-certification has been obtained and provided to the Lessor.

8. **TAXES.** Lessee shall promptly reimburse Lessor for, or shall pay directly if so requested by Lessor, as additional Lease payments, all taxes, charges and fees which may now or hereafter be imposed or levied by any governmental body or agency upon or in connection with the purchase, ownership, lease, possession, use, location or relocation of the Equipment, or otherwise in connection with the transactions contemplated by the Lease, including, however, all taxes on or measured by the net income of Lessor. Lessee agrees to reimburse Lessor for all personal property taxes immediately upon receipt of Lessor's invoice including without limitation such taxes assessed or arising during the term of this Lease but remitted by Lessor after the termination of this Lease. At Lessor's option, Lessee agrees to remit, along with Lessee's lease payments under this lease, an amount equal to a percentage of Lessor's reasonable estimate of the personal property taxes that will be assessable against the Equipment. Any such amounts remitted to Lessor will be credited by Lessor against Lessee's obligations under this paragraph. Lessee will remain obligated in the event such amounts are insufficient to fully reimburse Lessor for the actual amount of such taxes. Any surplus will either be credited to Lessee's other obligations to Lessor or returned to Lessee. If requested, Lessee agrees to file promptly on behalf of Lessor all requested tax returns and reports concerning the Equipment in a form satisfactory to Lessor, with all appropriate governmental agencies and to mail a copy to Lessor concurrently with the filing thereof. Lessee further agrees to keep or cause to be kept and made available to Lessor any and all necessary records relevant to the use of the Equipment and aforesaid taxes, assessments and other governmental charges.

If a Fair Market Value purchase option is indicated on the face hereof, Lessor shall be

entitled to claim Tax Benefits (hereinafter defined). In the event Lessor shall not be entitled, for any reason, to all or any portion of the Tax Benefits (a "Loss"), and after 30 days written notice from Lessor that a Loss has occurred, Lessee shall pay to Lessor a lump sum amount as stated in the notice which, in Lessor's reasonable opinion, will cause Lessor's after-tax economic yield and overall net after tax cash flows to be maintained at the same level as though the Loss had not occurred. As used in this Section, "Tax Benefits" means any deduction under Section 168 of the Internal Revenue Code of 1986 and interest deductions with respect to any indebtedness incurred by Lessor with respect to acquisition of Equipment by Lessor, and assuming an effective corporate tax rate on Lessor of 34%.

9. **PURCHASE OPTION; AUTOMATIC RENEWAL.** If no Default exists under this Lease, Lessee will have the option at the end of the Initial or any renewal term to purchase all (but not less than 80%) of the Equipment as shown on the front of this Lease, plus any applicable taxes. Lessee must give Lessor at least 120 days written notice before the end of the Initial Term that Lessee will purchase the Equipment or that Lessee will deliver the Equipment to Lessor. If Lessee does not give Lessor such written notice or if Lessee does not purchase or deliver all but not less than 80% of the Equipment in accordance with the terms and conditions of this Lease, this Lease will automatically renew for an additional 4 month term and thereafter renew for successive one month terms until Lessee delivers the Equipment to Lessor or purchases the Equipment. During such renewal(s) the amount of each Lease Payment will remain the same. Lessor may cancel an automatic renewal term by sending Lessee written notice 10 days prior to such renewal term. If the Fair Market Value ("FMV") Purchase Option has been selected, Lessor will use Lessor's judgment to determine the Equipment's FMV. FMV shall mean the retail, not wholesale, FMV determined solely by the Lessor. Upon payment of the Purchase Option price to Lessor plus all applicable taxes, Lessor shall transfer its interest in the Equipment to Lessee "AS IS, WHERE IS" without any representations or warranties whatsoever and this Lease will terminate.

10. **USE; REPAIRS; LOSS OR DAMAGE; CASUALTY VALUE.** Lessee will operate the Equipment in accordance with any applicable Manufacturers' manuals by competent and duly qualified personnel only, in accordance with applicable requirements of law, if any, and for business purposes only. Lessee shall bear all risk of loss associated with an item of Equipment, including the theft, destruction, or damage. No such loss shall relieve Lessee from any of its obligations under this Lease. In the event of any loss with respect to particular Equipment, Lessee shall either: (a) place such Equipment in good repair, condition and working order; (b) replace such Equipment with like equipment (of the same year, make, model and accessories) in good repair, condition and working order; or (c) pay to Lessor the "Casualty Value" which will equal the total of (i) all Lease Payments and other amounts, if any, due from Lessee to Lessor at the time of such payment, (ii) each future Lease Payment due discounted at 4% per annum, assuming a three hundred sixty (360) day year, from the date due to the date of such payment and (iii) the anticipated residual value.

11. **INSURANCE.** Lessee shall keep in effect an "All Risk" extended coverage property insurance policy covering the Equipment for its full replacement value. Lessee shall also carry a comprehensive general liability insurance policy or other similar form of third party liability coverage. Such policies shall be in form, amount and with insurers acceptable to Lessor. The property insurance policy shall name Lessor and its assigns as Loss Payee and the general liability insurance policy shall name Lessor and its assigns as an Additional Insured. Each policy shall provide: (a) for no less than thirty (30) days prior written notice of cancellation or non-renewal to Lessor; and (b) that such policy shall not be invalidated as against Lessor or its assigns for the violation of any term of the policy by Lessee. Lessee appoints Lessor as Lessee's attorney-in-fact to request required insurance coverages, make claims, receive payments and execute and endorse all documents, checks, drafts or other instruments necessary or advisable to secure payments due under any policy contemplated hereby. The foregoing shall not relieve Lessee from its obligations to procure the insurance policies required herein, to make timely insurance claims and to otherwise cooperate with insurance carriers and Lessor in seeking insurance coverage and recoveries in connection with the Equipment. Proceeds from any general liability policy shall be made payable first on behalf of the Lessor to the extent of its liability. If any. All policies of insurance carried by Lessee, whether primary or excess, shall be primary as to any policies maintained by Lessor. If Lessee does not provide Lessor with evidence of proper insurance within 10 days of Lessor's request or Lessor receives notice of policy cancellation, Lessor may (but is not obligated to) obtain insurance on Lessor's interest in the equipment at Lessee's expense. Lessee agrees to pay all insurance premiums and related charges. In spite of the payment of such risk charge, Lessee has no right or claim to any insurance benefits from Lessor. Lessee is still liable for all losses, and such risk charge is not in lieu of the insurance requirements of this Lease.

12. **TITLE.** Lessor is the owner of and will hold title to the Equipment. Lessee will keep the Equipment free of all liens and encumbrances. If this transaction is deemed to be a lease intended for security, Lessee grants Lessor a purchase money security interest in the Equipment (including any replacements, substitutions, additions, attachments and proceeds).

13. **DEFAULT.** Each of the following is a "Default" under this Lease: (i) Lessee fails to pay any Rental Payment or any other payment within 5 days of its due date; (ii) Lessee does not perform any of Lessee's other obligations under this Lease or in any other agreement with Lessor; (iii) Lessee or guarantor becomes insolvent, dissolves, or assigns its assets for the benefit of creditors, or enters any bankruptcy or reorganization proceeding; or (iv) any guarantor of this Lease dies, does not perform its obligations under the guaranty; or (v) an event of default under any other obligation Lessee or any guarantor of this Lease has with Lessor; (vi) if Lessee shall terminate its existence by merger, consolidation, sale of substantially all of its assets or otherwise; or (vii) any representation or warranty made by Lessee to Lessor shall prove to be incorrect or the condition of Lessee's affairs shall change so as in the opinion of Lessor to materially impair Lessor's interest or increase materially Lessor's credit risk.

Lessee has reviewed this page and certifies that each of the provisions set forth is clear and legible. Lessee initials X _____

14. REMEDIES. If a Default occurs, Lessor may do one or more of the following: (i) Lessor may cancel or terminate this Lease or any other agreement that Lessor has entered into with Lessee; (ii) Lessor may require Lessee to immediately pay Lessor, as compensation for loss of Lessor's bargain and not as a penalty, a sum equal to the sum of all remaining unpaid lease payments plus Lessor's anticipated residual value; (iii) Lessor may require Lessee to deliver the Equipment to Lessor as set forth in paragraph 7; (iv) Lessee agrees to pay all of Lessor's or its agents or assigns costs of enforcing Lessor's rights against Lessee including reasonable attorney's fees; (v) Lessor may repossess the Equipment without court order and Lessee will not make any claims against Lessor for damages or trespass or any other reason; and (vi) Lessor or its agent may peacefully exercise any other right or remedy available at law or in equity. If Lessor takes possession of the Equipment, Lessor may sell or otherwise dispose of it with or without notice, at a public or private sale, and apply the net proceeds (after deducting all costs related to the sale or disposition of the Equipment) to the amounts that Lessee owes Lessor. Lessee agrees that if notice of sale is required by law to be given, 10 days notice shall constitute reasonable notice. Lessee will remain responsible for any amounts that are due after Lessor has applied such net proceeds. Lessor may exercise any other right or remedy at law, or in equity or bankruptcy, including specific performance or damages for the breach hereof. Each remedy shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or equity. No express or implied waiver of any default shall constitute a waiver of any of Lessor's other rights.

If this Lease is deemed at any time to be a lease intended as security, Lessee grants Lessor a security interest in the Equipment to secure its obligations under this lease and all other indebtedness at any time owing by Lessee to Lessor and agrees that upon the occurrence of an Event of Default, in addition to all of the other rights and remedies available to Lessor hereunder, Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code.

15. PERFORMANCE OF LESSEE'S OBLIGATIONS BY LESSOR. If Lessee fails to make any payment or perform any act or obligation required hereunder, Lessor may, but need not, make such payment or perform such act or obligation at the expense of Lessee. Any such expense incurred by Lessor shall constitute additional lease payments due hereunder and shall be payable by Lessee to Lessor upon demand. Such action by Lessor shall not be deemed a cure or waiver of any default by Lessee.

16. FINANCE LEASE STATUS. Lessee agrees that if Article 2A-Leases of the Uniform Commercial Code applies to this Lease, this Lease will be considered a "finance lease" as that term is defined in Article 2A. By signing this Lease, Lessee agrees that either (a) Lessee has reviewed, approved, and received, a copy of the Supply Contract or (b) that Lessor has informed Lessee of the identity of the Supplier, that Lessee may have rights under the Supply Contract, and that Lessee may contact the Supplier for a description of those rights. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE WAIVES ANY AND ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A.

17. ASSIGNMENT. LESSEE MAY NOT ASSIGN, SELL, TRANSFER OR SUBLEASE THE EQUIPMENT OR LESSEE'S INTEREST IN THIS LEASE. Lessor may, without notifying Lessee, sell, assign, or transfer this Lease or its rights in the Equipment. Lessee agrees that the new owner will have the same rights and benefits that Lessor has now under this Lease but not Lessor's obligations. The rights of the new owner will not be subject to any claim, defense or set-off that Lessee may have against Lessor.

18. INDEMNITY. Lessee assumes the risk of liability arising from possession, operation, or use of the Equipment. Lessee shall indemnify, defend and hold harmless the Lessor from any and all claims, costs, taxes, expenses, damages, and liabilities, including liability for death or injury to persons, damage to property, strict liability under the laws or judicial decisions of any state or the United States, and legal expenses in defending any claim brought to enforce any such liability or expense arising from or pertaining to the use, possession, or operation of the Equipment.

19. CREDIT INFORMATION. Lessee authorizes Lessor and its agents and assigns to obtain credit bureau reports and make other credit inquiries that Lessor determines necessary. Lessee shall at Lessor's request, deliver to Lessor Lessee's future annual reports of financial condition, which reports Lessee represents and warrants shall be prepared in accordance with generally accepted accounting principles within 120 days after the close of each of Lessee's fiscal year, and upon Lessor's request within 45 days of the end of each quarter, it being understood that all such material shall be held in confidence by Lessor. Lessee hereby appoints Lessor, with full power of substitution, as its agent and attorney-in fact which is irrevocable and coupled with an interest, to execute any such financing statements under the Uniform Commercial Code and any appropriate amendments thereto on Lessee's behalf which Lessor deems necessary to protect Lessor's interest in the Equipment. Lessor may file a duplicate or a photocopy of the Lease as a financing statement.

20. FURTHER ASSURANCES. Lessee agrees to promptly, at Lessee's expense, deliver such other reasonable documents and assurances, and take such further action as Lessor may request, in order to effectively carry out the intent and purpose of this Lease.

21. REPRESENTATIONS AND WARRANTIES. Lessee represents and warrants to Lessor that: (i) the making of this Lease by Lessee is duly authorized on the part of Lessee and upon execution thereof by Lessee and Lessor they shall constitute valid obligations binding upon, and enforceable against, Lessee; (ii) neither the making of this Lease nor the due performance thereof by Lessee, including the commitment and payment of the Lease payments, shall result in any breach of, or constitute a default under, or violation of, Lessee's certificate of Incorporation, by-laws, or any agreement to which Lessee is a party or by which Lessee is bound; (iii) Lessee is in good standing in its state of Incorporation and in any jurisdiction where the Equipment is located, and is entitled to own property and to carry on business therein; and (iv) all financial information provided by Lessee to Lessor is true, accurate and provides a good representation of Lessee's financial condition. If requested, Lessee shall provide Lessor a Certified Copy of its Corporate Resolutions and/or a Certificate of Incumbency in the form provided by Lessor or such other form that Lessor deems acceptable.

22. MISCELLANEOUS. Lessee agrees that the terms and conditions contained in this Lease make up the entire agreement between Lessee and Lessor regarding the Lease of Equipment. The declaration of invalidity of any provision of this Lease and/or Guaranty shall not affect any part of the remainder of the provisions of this Lease and Guaranty. Any change in any of the terms and conditions of this Lease must be in writing and signed by Lessor. Lessee agrees however, that Lessor is authorized, without notice to Lessee, to insert the Lease Number, and to supply missing information or to correct obvious errors in this Lease. Lessee authorizes Lessor to adjust the Amount of Each Rental Payment by not more than 15% if either (i) the final Total Cash Price (which is all amounts Lessor has paid in connection with the purchase, delivery and installation of the Equipment, including any upgrade and buyout amounts) differs from the estimated Total Cash Price, or (ii) comparable U.S. Treasury Note yields increase between the date Lessee signs this Lease and the Acceptance Date. Lessor shall not be obligated to purchase the Equipment if the actual Total Cash Price varies more than 15% from the Total Cash Price listed above. If Lessor delays or fails to enforce any of Lessor rights under this Lease, Lessor will still be entitled to enforce those rights at a later time. All notices shall be given in writing by the party sending the notice and shall be effective when deposited in the U.S. Mail or a nationally recognized overnight delivery service, addressed to the party receiving the notice at its address shown on the front of this Lease (or to any other address specified by that party in writing) with postage prepaid. All of Lessor's right and remedies, including but not limited to those set forth in Sections 8, 18 and 21 herein, shall survive and remain in full force and effect and be enforceable after the expiration or termination of the Lease for any reason. It is the express intent of the parties not to violate any applicable usury laws or to exceed the maximum amount of time price differential or interest, as applicable, permitted to be charged or collected by applicable law, and any such excess payment will be applied to Lease payments in inverse order to maturity, and any remaining excess will be refunded to Lessee. If more than one Lessee has signed this Lease each of the Lessees agree that Lessee's liability is joint and several. LESSEE FURTHER AGREES TO PAY LESSOR A DOCUMENTATION FEE ON THE DATE THE FIRST RENTAL PAYMENT IS DUE TO COVER THE EXPENSES OF ORIGINATING THIS LEASE.

Lessee has reviewed this page and certifies that each of the provisions set forth is clear and legible.

Lessee Initials X 



17 Talcott Notch Road
Farmington, CT 06034
With Questions call: (888) 808-0834
FAX TO: (860) 676-0394

Lease Agreement Number: 501640

Lease Agreement Date: March 4, 2005

Schedule A (Equipment)

Qty	Equipment	Serial #
-----	-----------	----------

1	Brembana CNC Machining Center	Model: Concept Y1700
---	-------------------------------	----------------------

Equipped with all attachments and accessories.

Lessee has reviewed this page, and agrees the data on this Schedule A is accurate. Lessee Initials X

A handwritten signature in black ink, appearing to be 'Jm', is written over a horizontal line.



**Lease Addendum
Purchase Option**

Re: Lease Agreement Number: 501640

This letter will serve as a formal addendum to the above referenced Lease Agreement between Machinery Finance Resources, Inc. ("Lessor") and PHASSET USA INC. dba ALPHA GRANITE ("Lessee").

Lessor hereby acknowledges Lessee shall have the option to purchase the equipment described in the above referenced Lease Agreement for one dollar (\$1.00) at lease expiration. In order to exercise the \$1.00 option Lessee must not be in default under any of the provisions of the lease.

Lessee shall file as party responsible for payment of personal property tax. Lessee shall promptly pay in full for all property taxes levied on or assessed against the Equipment listed on the above referenced Lease Agreement during the initial term and all renewals and extensions. Lessee shall provide proof of said filing or payment to Lessor upon request.

Dated as of: March 4, 2005

PHASSET USA INC. dba ALPHA GRANITE
(Lessee)

By: 
Title: President

MACHINERY FINANCE RESOURCES, INC.
(Lessor)

By: _____
Title: President



March 15, 2005

MACHINERY FINANCE RESOURCES, INC.
17 TALCOTT NOTCH ROAD
FARMINGTON, CT 06032

RE: The Lease from Machinery Finance Resources, Inc., 1-New Brembana CNC Machining Center ("equipment") supplied by CMS North America. Location of equipment is to be 500 Victor Street, Bldg 1-900, Austin, TX 78753. Lease is identified as Lease Number 501640.

Gentlemen:

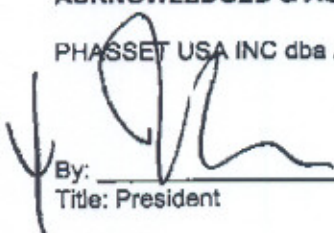
In connection with the above referenced lease, the undersigned confirms its request that Machinery Finance Resources, Inc. (MFR) advance on its behalf, certain Prepayments required by CMS North America in order to process the order for the above referenced equipment. The Prepayments are to be made as follows: \$37,900.00 at time of order, and \$94,750.00 upon arrival of equipment in port in Houston. To induce MFR to execute such Lease Agreement and pay such Prepayments, and in consideration thereof, the undersigned further acknowledges:

- 1.) It hereby agrees that in the event that it does not execute the Certificate of Acceptance of the equipment for any reason including, but not limited to, any non-performance or breach on the part of CMS North America, it will upon demand pay to MFR any and all amounts that have been paid by MFR to CMS North America on its behalf (Prepayments).
- 2.) It agrees that it will not assert against any assignee of the agreement any defense, set-off, claim, or counterclaim it may have against MFR.
- 3.) It agrees to pay prorated rent from the date of prepayment by MFR to CMS North America until the Rental Commencement Date. It further agrees that if for any reason, it does not accept the equipment (including, but not limited to any non-performance or breach on the part of CMS North America), it will pay such prorated rent in addition to the refund stipulated in item 1, and for purposes of this calculation, the Rental Commencement Date is deemed to be the first calendar day of the month immediately following the month in which written notice of non-acceptance is given to MFR by Phasset USA Inc. dba Alpha Granite.

ACKNOWLEDGED & AGREED TO THIS 4TH DAY OF MARCH, 2005.

PHASSET USA INC dba ALPHA GRANITE

MACHINERY FINANCE RESOURCES, INC.

By: 
Title: President

By: _____
Title: President

**DISCLAIMER OF OWNERSHIP
LEASE AGREEMENT NUMBER 501640**

The undersigned, Phasset USA Inc dba Alpha Granite (the "Lessee") proposes to be the Lessee of certain equipment leased from Machinery Finance Resources, Inc. (the "Lessor") pursuant to a Lease Agreement between Lessor and Lessee dated as of March 4, 2005. The equipment covered by the lease is hereinafter referred to as the "Equipment".

1-NEW BREMBANA CNC MACHINING CENTER, MODEL CONCEPT Y1700.

The Equipment will be purchased from CMS North America (the "Vendor") by Lessor. Lessee has made a down payment to the Vendor, and it is contemplated that, upon Lessor's receipt of all necessary documentation and satisfaction of all conditions to Lessor entering into the Lease, Lessor shall pay the Vendor the total purchase price (less any down payments) and have 100% ownership of the Equipment.

The Lessee, being satisfied that its payments under the Lease are based upon the amount the Lessor is financing including Lessee's downpayment, hereby consents to the Vendor transferring the entire ownership in the Equipment to Lessor and, effective on the actual transfer of the Equipment to Lessor, disclaims ownership interest or rights in the Equipment except those the Lessee has by virtue of being the Lessee under the Lease.

Lessee: PHASSET USA INC DBA ALPHA GRANITE

By:  _____

Title: President

Date: MARCH 17, 2005

CONSENT AND WAIVER BY OWNER, LANDLORD OR MORTGAGEE OR REAL ESTATE

Lessee/Occupant: PHASSET USA INC dba ALPHA GRANITE

Undersigned, Eric Ohlson (Name)(Hereinafter referred to as the "Undersigned") of

9904 Charthouse Cove Austin (Street and No.) (City or Town)

TRAVIS TX 78730 (County) (State) (Zip)

is owner, landlord or mortgagee of certain real estate known as 500 Victor Street, Bldg 1-900, Austin, Travis County, TX 78753. (hereinafter, the "Premises").

A legal description of the Premises is attached hereto and made part hereof as Exhibit A.

- 1. The Premises are now occupied by the Lessee/Occupant, described above, which will enter or has entered into a Lease Agreement dated as of March 4, 2005 (the "Agreement"), with Machinery Finance Resources, Inc. ("the Lessor"). The Lessor is leasing certain equipment to the Lessee generally described as a CNC Machining Center, with all standard options and accessories (the "Equipment"). Pursuant to the Agreement, Lessee has or will grant to the Lessor a security interest in the Equipment.
2. For good and valuable consideration, receipt of which is hereby acknowledged, the Undersigned does hereby agree that the Equipment may be affixed to the Premises and shall remain personal property notwithstanding the manner which it is affixed thereto and that a security interest therein may be held by the Lessor, its legal representatives, successors, agents or assigns.
3. Undersigned waives each and every right which it now has or may hereafter have under the laws of the State of the location of the Equipment or any other state, or by the terms of any real estate or mortgage now in effect or hereafter executed by Undersigned or said Occupant, to levy distraint upon the Equipment for rent, in arrears, in advance, or both, or to claim or assert any lien, right, title or interest in or to the Equipment.
4. Undersigned recognizes and acknowledges that any claim or claims that the Lessor has or may hereafter have against the Equipment by virtue of the Agreement is superior to any lien or claim of any nature which the Undersigned now has or may hereafter have to the Equipment by statute, agreement or otherwise.
5. Undersigned agrees that the Lessor or its assigns or agents may remove the Equipment from the Premises whenever the Lessor feels it is necessary to do so to protect its interest, and without liability or accountability to the Undersigned therefor, and Undersigned hereby irrevocably grants to the Lessor, its assigns and agents the right of entry to the Premises to remove the Equipment at any reasonable time or times.
6. The Lessor may, without affecting the validity of this Consent and Waiver, extend the term of the Lease or alter the performance of any of the terms and conditions of the Agreement, without the prior consent of the Undersigned and without giving notice to the Undersigned.
7. This Consent and Waiver shall also apply to any of the Equipment which is already on the Premises or may hereafter be delivered or installed thereon, and which is, or may hereafter become, subject to the Agreement. This Consent and Waiver shall inure to the benefit of the successors and assigns of the Lessor and shall be binding upon the heirs, executors, administrators, successors and assigns of the undersigned.

Eric Ohlson Owner, Landlord, or Mortgagee

Eric Ohlson Signature

OWNER Date 3-18-05



Please complete your Insurance Agent's information below:

Company: SOUTHWEST BUSINESS INSURANCE

Address: 6101 W. COURTYARD DR 3-125

City, State, Zip: AUSTIN, TX 78730

Contact: MELISSA MYER

Phone Number: 512 338-1403

In compliance with the terms and conditions of the Lease Agreement, we acknowledge the following with respect to insurance coverage:

1. Lessee is required to provide insurance coverage on the equipment and to provide Machinery Finance Resources, Inc. with a Certificate of Insurance. Minimum requirements are:
 - A.) All Risk or Special Form coverage in an amount equal to the full equipment value.
 - B.) Public liability and property damage naming Machinery Finance Resources, Inc. and their Assigns as Loss Payee and Additional Insured.
 - C.) A provision that the insurance cannot be cancelled, reduced or altered without thirty days prior written notice to Machinery Finance Resources.
 - D.) Please include deductible amounts on the certificate.

2. Insurance certificates must reference Lease # 501640. Please fax the Certificate of Insurance to 860-676-0394 and mail the original copy to:

Machinery Finance Resources, Inc.
17 Talcott Notch Road
Farmington, CT 06034

If you should have any questions in this regard please contact Machinery Finance Resources at 860-676-0395.

Agreed & Acknowledged:
PHASSET USA, INC. dba ALPHA GRANITE

By: 

Title: President

Date: 03-17-05

TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION

Name of purchaser, firm or agency Phanet USA Inc. dba Alpha Grade	
Address (Street & number, P.O. Box or Route number) 500 Victor St. Bldg 1-900	Phone (Area code and number) 512 834 8746
City, State, ZIP code Austin, TX 78753	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: Machinery Finance Resources

Street address: 17 Talcott Notch Road City, State, ZIP code: Farmington, CT 06032

Description of items to be purchased or on the attached order or invoice:

1 - Brem Dana CNC Machining Center

Purchaser claims this exemption for the following reason:

Equipment to be used in the manufacturing process for resale.

I understand that I will be liable for payment of sales or use taxes which may become due for failure to comply with the provisions of the Tax Code: Limited Sales, Excise, and Use Tax Act; Municipal Sales and Use Tax Act; Sales and Use Taxes for Special Purpose Taxing Authorities; County Sales and Use Tax Act; County Health Services Sales and Use Tax; The Texas Health and Safety Code; Special Provisions Relating to Hospital Districts, Emergency Services Districts, and Emergency Services Districts in counties with a population of 125,000 or less.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate and, depending on the amount of tax evaded, the offense may range from a Class Misdemeanor to a felony of the second degree.

sign here	Purchaser 	Title President	Date 3/4/05

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.
 THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.
 Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

This certificate should be furnished to the supplier. Do not send the completed certificate to the Comptroller of Public Accounts.

PHASSET USA, INC.
DBA ALPHA GRANITE
500 VICTOR ST. NO. 1-900 512-834-8746
AUSTIN TX 78753

2579

3/18/05

37-66/1119 1578
5486410830

PAY TO THE
ORDER OF

Machney France Resources

\$ 400.00

Four hundred

DOLLARS



Wells Fargo Bank, N.A.
Texas
wellsfargo.com

FOR

Documentation

[Handwritten signature]

⑆ 121900659⑆ 5486419939⑆ 02579



To: Dennis Phocas, Phasset USA Fax: (512) 491-5308

From: Kevin Schaefer, MFR Date: 06/14/05

Re: Acceptance Certificate Page:

Urgent For Review Please Comment Please Reply Please Recycle

Good morning Dennis,

Per our conversation, could you please execute the provided Acceptance Certificate and fax to my attention at (630) 922-1352. Could you then mail the original to the following address:

Machinery Finance Resources
 Attn: Debbie Senk
 17 Talcott Notch Road
 Farmington, CT 06032

Please feel free to contact me at (630) 922-2416 with any questions or concerns. Thank you for your help and have a great day.

Sincerely,

Kevin Schaefer, Machinery Finance Resources



CERTIFICATE OF ACCEPTANCE

In compliance with the terms, conditions and provisions of the Lease Agreement dated March 4, 2005

("Lease") by and between the undersigned ("Lessee") and Machinery Finance Resources, Inc. ("Lessor"), Lessee hereby:

- a) certifies and warrants that all Equipment described in the above-referenced Schedule A or the Lease Agreement (the "Equipment") is delivered, inspected and fully installed, and operational as of the Acceptance Date as indicated below;
- b) accepts all the Equipment for all purposes under the Lease and all attendant documents as of this 14th day of JUNE (month), 2005 ("Acceptance Date");
- c) agrees that for this Certificate of Acceptance, and the Equipment relative to the same restates and reaffirms, as of such Acceptance Date, each of the representations, warranties and covenants heretofore given to Lessor in the Lease.

Phasset USA Inc DBA Alpha Granite
(Lessee)

X

(D. N. Phasset)

President
Title

CEO

Signature
Lessor is hereby authorized to insert serial numbers on the Lease Agreement.

**MACHINERY FINANCE RESOURCES, INC.****17 Talcott Notch Road
Farmington, CT 06032****860-676-0395****Fax 860-676-0394****e-mail dsenk@mfresources.com****FAX COVER SHEET****TO: Sonia****DATE: June 20, 2005****FROM: Debbie Senk****TOTAL PAGES: 2****SUBJECT: Certificate of Acceptance****Hi Sonia,**

Following is the Certificate of Acceptance that we discussed. Please have Mr. Phocas sign the bottom, then return the form with his original signature to my attention at the above address.

Thank you for your assistance and please do not hesitate to contact me at the above phone number if you should have any questions in this regard.

**Thanks,
Deb**



RIGHT OF ENTRY

CMS North America, Inc

Corporate Office:
4095 Karona Court
Caledonia, MI 49316
616-698-9970
616-698-9730 (fax)

Sales:
800-225-5267

Service & Parts:
800-778-2267

Website:
www.cmsna.com
www.cms.it

E-mail:
cmssoles@cmsna.com
cmsseiv@cmsna.com

Whereas CMS NORTH AMERICA, INC., a Michigan Corporation, is the seller of certain machining centers and specifically: type Concept Y1700, serial number 3838.

Whereas, PHASSET USA INC., D/B/A ALPHA GRANITE, located at 2215 Investment Drive, Pflugerville, TX 78660 is desirous of purchasing the above-described machinery.

It is agreed that should PHASSET USA INC. D/B/A ALPHA GRANITE fail to return the machinery on demand, as specified in the Contract for Purchase and the Purchase Money Security Agreement between the parties, CMS NORTH AMERICA, INC. and its representative shall have the irrevocable right to enter during working hours the premises of PHASSET USA INC. D/B/A ALPHA GRANITE, where the machinery is located, in order to take possession and delivery of such machine.

The Right of Entry expires upon either return of the machine or full payment of the machine. It is agreed upon and understood that the title of the machine will remain in CMS NORTH AMERICA, INC. until payment in full has been made by PHASSET USA INC. D/B/A ALPHA GRANITE.

ACCEPTED
By: [Signature]

ACCEPTED
By: [Signature]
Steve Hillis

Its: CEO

Its: CEO

Date: 4/8/05

Date: 4/7/05

Please provide the following number:

Tax Identification # 47-0864788

Organizational I.D. # 800007640

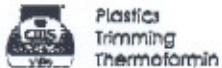
CNC MACHINING CENTERS FOR:



Wood



Advanced Mills Aerospace



Plastics Trimming Thermofamin



Stone



Glass

A Division of CMS Group Zogno, Italy



CMS North America, Inc.

4095 Karona Court, Caledonia, MI 49316

Phone: (616) 698-9970 Fax: (616) 698-9730

Sales: (800) 225-5267 E-mail: cmssales@cmsna.com

Service: (800) 778-2267 E-mail: cmsservice@cmsna.com

www.cmsna.com • www.cms.it

Fax From

Document's Author:	Paula McElhanev
Date Created:	4/7/2005 4:16 PM
Number of Pages:	2 (including cover)
CC:	
Subject:	Right of Entry Cover Fax

Send To

Recipient Name:	Denis Phocas
Recipient Company:	PHASSET USA INC DBA ALPHA GRANITE
FAX Number:	512-491-5306
Phone Number:	512-834-8746

Message

Attached is a Right of Entry form for the Concept Y1700 machine, serial number 3838 that will deliver to your facility. As stated in your Confirmation in the Contract for Purchase section, Item 1 Delivery, this form is required to be signed and returned

CMS North America will file a U.C.C. 1 Financing Statement on the machine for the state where the machine is to be located. On the U.C.C. form some states asks for a Tax Identification Number or an Organizational Number (if applicable). Please fill out the appropriate section.

These forms are cancelled out upon full payment of the machine. Please sign and return to my attention via fax to 616-698-9730.

Best regards,

Paula McElhanev

Paula McElhanev
Administrative Assistant

**MACHINERY FINANCE RESOURCES, INC.****17 Talcott Notch Road
Farmington, CT 06032****860-676-0395****Fax 860-676-0394****e-mail dsenk@mresources.com****FAX COVER SHEET****TO: Dionissios Phocas****DATE: June 16, 2005****FROM: Debbie Senk****TOTAL PAGES: 2****SUBJECT: Progress Payment Invoice and Final Payment to CMS****Dear Mr. Phocas,**

Following is the invoice for interest for June for the progress payments disbursed by MFR to CMS North America for the Machining Center covered under our lease. Please remit as soon as possible

In order for us to fund the balance to CMS, we will need a copy of your check in the amount of \$9,475.00 payable to CMS, and confirmation from CMS that they have received the payment. Please fax me a copy of the check prior to sending it to CMS. *Done 6/17/05*

Please also be sure to mail me the original Certificate of Acceptance dated 6/14 to the above address.

Thank you for your assistance, and if you should have any questions in this regard, please do not hesitate to contact me at the above phone number.

Deb

5

AMERICAN Equipment Finance LLC

258 King George Road
Warren NJ 07059

Phone: 800-785-3060
Fax: 800-796-1097

7/14/2005

Phasset USA Inc. dba Alpha Granite
Attn: Dionissios Phocas
500 Victor St. Bldg. 1, 900
Austin, TX 78753

Re: Application # 13444

Dear Dionissios Phocas:

Please be advised that our bank, American Equipment Finance will handle the billing and collecting for this equipment lease on behalf of AEF. You will be receiving an invoice from American Equipment Finance, please remit all payments to them at the address provided on the invoice.

If you need to contact American Equipment Finance regarding any questions on your invoice, please call them at 908-542-9330.

We appreciate and value your continued business. Phasset USA Inc. dba Alpha Granite is already approved for additional financing. For additional financing needs please contact Steve Shabazian of American Equipment Finance at (800) 785-3060 extension 204.

Sincerely,

Beth Matulewicz

Beth Matulewicz
Office Manager

X208

*Spoke to Beth
8/10: Letter was a mistake
Should pay MFR*