

Lessee Information

Business Name: Gazzani Motors, Inc.		Business Address: 215 MARKET STREET East Paterson, NJ 07407	Equipment Location Address: (if different than billing address of Lessee) 215 MARKET STREET Elmwood Park, NJ 07407
Business Phone: 201-796-1607	Business Tax ID#:		

Lease Terms and Conditions

Monthly Rent (plus applicable taxes): \$415.18	Base Term (months): 60	Required Deposit: \$830.36	Deposit Applied to: First and Last <u>1</u> Monthly Rentals	Doc Fees: Bill for \$250.00
End of Term Option: Fair Market Value Purchase Option				

Equipment Supplier Information / Equipment Description: SEE EXHIBIT "A"

The undersigned agrees that this lease reflects the agreement of the parties, including all terms of the second page of this agreement. For purposes of this Lease Agreement and any schedules attached (Lease), you, and your shall mean the Lessee indicated below, and we, us, and our refer to the Lessor, Balboa Capital Corporation, it's agents, employees and it's successors and assigns.

sign →

Signature: [Signature]
 Name: **John Gazzani** Title: **President** Date: **03/27/08**

ACKNOWLEDGED BY: BALBOA CAPITAL CORPORATION

By: [Signature] Vice President Date: 5/6/08

Lease Guaranty

For purposes of this Guaranty, Lease shall mean the Lease set forth above and on the second page of the Lease Agreement. I/ME/MY shall mean the person making the guaranty and if married, his or her marital community. YOU/YOUR shall mean the Lessor. I agree that I have an interest in the Lessee, economic or otherwise, and that you would not enter into this Lease without this guaranty. I unconditionally guaranty that Lessee will fully and promptly pay all its Obligations under the Lease when they are due and will perform all its other obligations under the Lease even if you modify or renew the Lease. The Lease guaranty will be jointly and severally responsible. You do not have to notify me if the Lessee is in default under the Lease. You may obtain any information from credit reporting agencies you deem necessary to enforce this guaranty. If the Lessee defaults, I will immediately pay all Obligations due under the Lease. I agree that I will not be released or discharged if you: (i) fail to perfect a security interest in or any property which secures the Obligations (Collateral); (ii) fail to protect the Collateral; or (iii) abandon or release the Collateral. I agree that you do not have to proceed first against the Lessee or any Collateral. I hereby waive notice of acceptance of this guaranty and of all other notices or demands of any kind which I may be entitled to. I will reimburse you for all expenses you incur in enforcing your rights against the Lessee or me, including, without limitation, attorneys' fees and costs. I acknowledge that I have read and understood the Lease and this Guaranty. This is an irrevocable, continuing guaranty and binds my heirs, administrators and representatives. I CONSENT TO THE JURISDICTION OF THE COURTS OF ORANGE COUNTY, CALIFORNIA AND/OR THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION, AT YOUR SOLE OPTION, FOR THE DETERMINATION OF ALL DISPUTES RELATED TO THE LEASE OR THIS GUARANTY. I agree that this guaranty shall be governed by the laws of the State of California. **YOU WAIVE TRIAL BY JURY.**

sign →

Signature: [Signature] Name: **John Gazzani** Date: **03/27/08**

Signature: _____ Name: _____ Date: _____

- 1. LEASE:** You agree to lease from us and we agree to lease to you, the equipment listed above or on any schedule to this Lease (Equipment). You unconditionally promise to pay us the sum of all the rental and other payments indicated above or on any schedule (Rent). You authorize us to insert in this lease any serial numbers and other identification data about the Equipment, as well as any other omitted factual matters. All Rent and other payments under this Lease or any other agreement with us (collectively Obligation or Obligations) are payable in U.S. dollars, and may be adjusted upward or downward no more than ten percent (10%) to reflect actual costs. We may from time to time, in our sole discretion, accept a photocopy or electronically transmitted facsimile copy of this Lease, any Schedules to this Lease, or other Lease documents as the binding and effective record of such agreement(s) whether or not an ink signed counterpart thereof is also received by us from you, provided, however, that no such agreement(s) shall be binding upon us until and unless they are signed by us in any signature line where we are to sign as indicated on the Lease, Schedule or other agreement. Any such photocopy or electronically transmitted facsimile received by us shall, when executed by us, constitute an original document for the purpose of establishing the provisions thereof and shall be legally admissible under the best or original evidence rule and binding on the parties.
- 2. TERM OF LEASE:** This Lease shall become effective upon acceptance by us by signing and dating this Lease. A prorata portion of the aggregated average of the Rent based on a daily charge or one-thirtieth (1/30) of the Rent from the date the Equipment has been delivered and is usable by you ("Commencement Date") to the end of the month shall be payable at the Commencement Date. The Base Term of this Lease shall begin on the first day of the month following the Commencement Date and terminate upon the expiration of the number of months stated under Base Term, above. Following the Commencement Date, Rent and other Obligation payments are due on the first of each month, payable to a location to be designated in writing. **YOUR OBLIGATION TO PAY RENT TO US IS UNCONDITIONAL AND NOT SUBJECT TO ANY REDUCTION, SET-OFF, DEFENSE, OR COUNTERCLAIM AND MAY NOT BE CANCELLED FOR ANY REASON WHATSOEVER.** In the event this Lease is not fully completed for any reason beyond our control, all deposits made by you will be retained by us as compensation for documentation, processing and other expenses. We have the right, but not the obligation, to electronically withdraw funds from your bank account to pay for any unpaid Rent, taxes, fees, charges and assessments.
- 3. PAYMENT OF LEASE OBLIGATIONS:** Payment of the Lease Obligation shall be made by electronically withdrawing funds from the bank account on which your deposit check was drawn. You authorize us to debit from this account on which your deposit check was drawn, on or after the 1st day of each month, for scheduled Lease Payments or other amounts due and owing at the time under the Lease. You acknowledge that, if we assign the Lease to a third party, the assignee is authorized to debit the account on which your deposit check was drawn. If you would prefer to authorize us to debit another account, fill in the blanks provided below along with a copy of a voided check from the specified account.

Account Number: _____ ABA / Routing Number: _____

Financial Institution Name: _____

Initials [Signature]

4. NO WARRANTIES; NO AGENCY; WE ARE LEASING THE EQUIPMENT TO YOU AS-IS, WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR ORDINARY USE. You understand and agree that we are independent from the vendor, manufacturer and/or supplier (collectively "Supplier(s)") of the Equipment and that neither the Supplier nor any other person is our agent, nor are they authorized to waive or change any term or condition of this Lease. You agree that no

representation, guaranty or warranty by the Supplier or other person is binding on us. So long as you are not in default under any terms of this Lease, we transfer to you any warranties made to us, as the owner of the Equipment, by the Supplier. You agree that any breach by the Supplier will not relieve or excuse your Obligations to us. Regardless of cause, you will not assert any claim whatsoever against us for any direct, consequential, special or indirect damages. If you have entered into a maintenance agreement for the Equipment and the cost of the maintenance agreement is included in the Rent, you acknowledge that we are not responsible for any service,