

January 21, 2005

Patrick Kalnas, President  
KCRS, Inc.  
17 Leonberg Road, Suite S  
Cranberry Township, Pennsylvania 16066-3601

Please sign or fill out the information where highlighted and return the enclosed lease documents to my attention along with the Deposit Check in the amount of \$2612.35 made payable to Trident Leasing Corporation. The Deposit includes your First and Last monthly lease payments, UCC filing fee and documentation fee. Please include a legible, copy of your driver's license and a legible, copy of Guarantors' Drivers License with the signed documents. Additionally, please sign the documents exactly as your signature appears on your Drivers License. Upon receipt, Trident Leasing Corp. will promptly expedite the completion of your lease request.

FED. TAX ID: 25-1786606

ARTICLES OF INCORPORATION NUMBER: 2710529

COUNTY: Allegheny (EQUIPMENT LOCATION)

Your business is very important to Trident Leasing Corp. Please let us know if you have any comments or suggestions on how we may better serve you.

Cordially,  
Trident Leasing Corporation

John Riley  
Account Executive

**Please do not date the Documents.....**

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# MASTER EQUIPMENT LEASE AGREEMENT

TRIDENT LEASING CORPORATION

MASTER LEASE AGREEMENT NO. \_\_\_\_\_

Lessor KCRS, Inc.		City Cranberry Township	State Pennsylvania	Zip 16066-3601
Street 17 Leonberg Road, Suite S		Name Patrick Kalnas	Title President	
EQUIPMENT LOCATION:				
Street		City	State	Zip
ITEM QUANTITY DESCRIPTION				
TERM IN MONTHS	MONTHLY RENT (sales tax)	TOTAL PAYMENT:	DEPOSIT	DEPOSIT TO INCLUDE FIRST AND LAST MONTHLY LEASE PAYMENTS.
36	\$1257.58 \$75.45	\$1333.03 (plus applicable taxes)	\$2612.35	

## EQUIPMENT LEASE TERMS AND CONDITIONS

1. LEASE. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the property described above in the Schedule of Equipment Leased (herein called "Equipment") upon the terms and conditions set forth in this Lease Agreement (Herein the "Lease").
2. TERM AND RENT: Lessee shall pay Lessor as rent for the use of the Equipment at the office of the Lessor, aggregate rent equal to the total number of rental payments specified above, multiplied by the amount of each payment specified above, plus applicable taxes. In addition to the regular rentals, Lessee shall pay to Lessor interim rent for the use of the Equipment prior to the due date of the first payment. Interim rent shall be in an amount equal to 1/30<sup>th</sup> of the monthly rental, multiplied by the number of days elapsing between the date on which the Equipment is accepted by Lessee and the commencement date of this Lease, together with the number of days elapsing between commencement of the Lease and the due date of the first payment. Each Lease may be terminated by the Lessee at the end of the base term (180 days prior to the end of the base term, written notice of such termination is delivered to Lessor (by certified mail). Otherwise the term of each Lease automatically shall be extended monthly following the end of the initial base term at the rent stated on the respective Schedule(s). Unless otherwise delineated on the Lease Schedule(s) any Deposit shall be returned to Lessee if Lessor does not accept the transaction less reasonable expenses. Otherwise upon acceptance by Lessor, any Deposit shall be treated as a transaction fee to be retained by Lessor in the event Lessee fails to comply with the terms and conditions of the approval. Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now, or at any time hereafter, have to cancel, terminate, or surrender this lease except in accordance with the express terms hereof.
3. DELIVERY AND ACCEPTANCE: Lessee agrees that it has selected both the Equipment and the vendor prior to requesting Lessor to purchase the same for leasing hereunder. Lessee thereby waives any defenses, offsets, or claims against Lessor for failure of the Equipment to conform and any future failure of the Equipment (including its operating systems) to perform properly.

SEE INSIDE FOR TERMS AND CONDITIONS WHICH ARE MADE A PART HEREOF

**THIS AGREEMENT IS NOT BINDING UNTIL ACCEPTED BY LESSOR**

Agreed to by Lessee on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Lessor KCRS, Inc.  
(Full legal name of Lessee)

By X Patrick Kalnas President  
Patrick Kalnas (Signature and Title)

Accepted by: TRIDENT LEASING CORPORATION

By: \_\_\_\_\_

Date: \_\_\_\_\_

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4. **ACCEPTANCE OF LEASE.** Lessee's signing of this document shall constitute its agreement to enter into the Lease. In consideration of Lessee's name and efforts in executing and signing this Lease, Lessor agrees that its signature shall be attributable for a period of thirty (30) days from the date it is submitted to Lessor. Lessor's signing of this Lease shall constitute acceptance of Lessee's offer to enter into the Lease. Upon acceptance by Lessor, Lessee shall execute and deliver such instruments and assurances including, but not limited to, personal assurance, Lessee's assurance and/or assurance of any persons having more than twenty (20%) interest in legal persons, should Lessee be legal persons, at Lessor deems necessary from time to time or desirable for confirmation, assignment and assurance of performance by Lessee of its obligations hereunder or for perfection of this Lease, including but not limited to the filing of this Lease or the filing of Uniform Commercial Code

Financing Statements (which Lessee agrees may be executed by Lessor on Lessee's behalf). Lessee shall also provide Lessor with all credit information reasonably requested by Lessor, including but not limited to comparative audited financial statements for the most current year and interim reporting period. Lessee's failure to provide such information to Lessor shall be an event of default under section 16 of this Lease.

5. **STATUTORY FINANCE LEASE.** Lessee agrees and acknowledges that it is the intent of both parties to this Lease that it qualify as a statutory finance lease under Article 2A of the Uniform Commercial Code. Lessee acknowledges and agrees that Lessee has selected both (1) the Equipment and (2) the supplier from whom Lessor is to purchase the Equipment. Lessee acknowledges that Lessor has not participated in any way in Lessee's selection of the Equipment or of the supplier, and Lessor has not selected, manufactured, or supplied the Equipment.

LESSEE IS ADVISED THAT IT MAY HAVE RIGHTS UNDER THE CONTRACT EVIDENCING THE LESSOR'S PURCHASE OF THE EQUIPMENT FROM THE SUPPLIER CHOSEN BY LESSEE AND THAT LESSEE SHOULD CONTACT THE SUPPLIER OF THE EQUIPMENT FOR A DESCRIPTION OF ANY SUCH RIGHTS. Lessee hereby waives its right under Section 508(5) and Sections 508-522 of Article 2A.

6. **TITLE, PERSONAL PROPERTY:** The Equipment is and at all times shall remain the sole and exclusive personal property of Lessor. No right, title or interest in the Equipment shall pass to Lessee other than the right to maintain possession and use of the Equipment for the full Lease Term, conditioned upon Lessee's compliance with the terms and conditions of this Lease. Lessee covenants and agrees that Equipment is, and will at all times remain, personal property of Lessor. Lessee agrees to keep the Equipment free and clear of all liens, claims and encumbrances. In the event of the parties that the equipment shall not become a fixture to any realty to which it is attached. Upon the expiration or termination of this Lease with respect to particular schedule(s), the Lessee at its expense shall return sold items of leased property unencumbered to Lessor in such place within the continental limits of the United States as Lessor shall designate, unless otherwise delineated on a separate purchase option with respect to such Lease. At the termination of this Lease, provided Lessee is not in default, Lessee shall be entitled to, on written notice to Lessor, at least thirty (30) days prior to the end of financial term or any renewal term, if extended, to purchase equipment from Lessor at its fair market value as determined by Lessor. All transportation, rigging and drayage charges on delivery or redelivery of the Leased Property to and from Lessee shall be paid by Lessee. All installation and deinstallation charges including packing materials and any fees and charges for maintenance certification or re-certification shall be paid by Lessee. Immediately upon expiration or termination of each and every Lease Term as defined under this Lease, Lessee shall discontinue its use of the Leased Property. **TERMINATION OF ANY LEASE TERM (FOR WHATEVER CAUSE) SHALL NOT ABSOLVE USER FROM PAYMENT OF ACCRUED PERIODIC PAYMENTS OR FROM COMPLIANCE WITH THE USE AND DISCLOSURE RESTRICTIONS OF THIS LEASE, OR FROM ITS OBLIGATIONS TO INDEMNIFY LESSOR.**

7. **WARRANTY DISCLAIMER:** Lessee acknowledges that Lessor is not the manufacturer of the Equipment. Nor the manufacturer's or vendor's agent, nor a vendor or manufacturer in an agent of Lessor, and Lessor represents that Lessee has selected the Equipment based upon its own judgment and disclaims any reliance upon any statements or representations made by Lessor. LESSOR HAS NOT MADE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF ANY KIND, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SCITABILITY, DURABILITY, DESIGN, OPERATION OR CONDITION OF THE EQUIPMENT OR ANY PART THEREOF, ITS MERCHANTABILITY, ITS FITNESS FOR USE FOR THE PARTICULAR PURPOSES AND USES OF LESSEE, AND LESSEE ACCORDINGLY AGREES NOT TO ASSERT ANY CLAIM WHATSOEVER AGAINST LESSOR BASED THEREON. LESSEE FURTHER AGREES, REGARDLESS OF CAUSE, NOT TO ASSERT ANY CLAIM OR SETOFF WHATSOEVER AGAINST LESSOR FOR LOSS OF ANTICIPATORY PROFITS OR CONSEQUENTIAL DAMAGES. NO DEFECT OR UNFITNESS OF THE EQUIPMENT OR ANY OF ITS OPERATING SYSTEMS OR FAILURE OF THE VENDOR OR MANUFACTURER TO MAINTAIN OR REPLACE THE EQUIPMENT SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR ANY OTHER OBLIGATION UNDER THE LEASE.

8. **CHOICE OF LAW:** Lessee acknowledges that this Lease was entered into and formed in the state and county of Lessor's principal place of business and that Lessor and Lessee have bargained for and agreed that Lessee personally submits to the jurisdiction of the courts in the state and county where Lessor or Lessor's assignee conducts its principal place of business. Lessee understands that its submission to said jurisdiction directly benefits Lessee and results in a reduced Lease rental payment. Lessee acknowledges its payments to Lessor or to its assignee as a deliberate engagement of significant business activity with Lessor's state and county so that Lessee would anticipate being baled into court within Lessor's or its assignee's state and county, possibly located outside of Lessee's state and county, should Lessee default on or breach any term or condition of this Lease. Lessee acknowledges further that this Lease shall be interpreted in accordance with the laws and regulations of the state of Lessor's principal place of business, and should Lessor assign this Lease, that this Lease shall be interpreted in accordance with the laws and regulations of the state of the assignee's principal place of business.

9. **LOCATION, INSPECTION:** Lessee shall not move the Equipment from the location noted in this Lease without the prior consent of Lessor. Lessor shall have the right from time to time during normal business hours to enter upon the premises where the Equipment is located for the purpose of confirming the existence, condition, and proper maintenance of the Equipment.

10. **USE, MAINTENANCE AND REPAIR.** Lessee shall use the Equipment in the manner for which it was designed and intended, SOLELY FOR LESSEE'S BUSINESS PURPOSES, in accordance with all applicable manuals and instructions and in compliance with all applicable laws, regulations and orders and insurance requirements. Lessee, at Lessor's cost and expense, shall keep the Equipment in good working order. All replacement parts and repairs at any time made to or placed on the Equipment shall become the property of the Lessor.

11. **TAXES:** Lessee shall pay all license and registration fees, assessments, stamp and documentary taxes, sale and use taxes, personal property taxes, gross receipt taxes, excise taxes, ad valorem and all other taxes and charges, however designated, which may now or hereafter, during the term of this Lease, be imposed upon this Lease or the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, whether assessed to Lessor or Lessee and whether due before or after termination of this Lease. Lessor shall not be obligated to correct any valuation of tax imposed on the Equipment or this Lease.

12. **INDEMNITY:** Lessee does hereby assume liability for and does agree to indemnify, defend if requested by Lessor, protect, save and keep harmless Lessor from and against any and all liabilities, (including negligence, tort and strict liability) losses, damages, penalties, claims, actions, suits, costs and expenses, in any way relating to or arising out of the Equipment, including without limitation, any claim alleging latent or other defects, whether or not discoverable by Lessee or Lessee, any claim for patent, trademark or copyright infringement, and any claim arising out of strict liability in tort. This provision shall survive expiration or termination of this Lease.

13. **LOSS OR DAMAGE:** Lessee hereby assumes and shall bear the entire risk of loss (including theft and requisition of uses) or destruction of or damage to the Equipment from any and every cause whatsoever, whether or not insured. In the event of damage to or loss or destruction of the Equipment (or any part thereof), Lessee shall promptly notify Lessor in writing. No such loss or damage shall relieve Lessee from any obligation under this Lease, which shall continue in full force and effect. At Lessor's option, Lessee shall (a) replace the same with like equipment in good repair, acceptable to Lessor, or (b) pay Lessor the sum of all unpaid rents and other payments due under this Lease, and all accelerated future payments due under this Lease, plus Lessor's estimate at the time this Lease was entered into of Lessor's residual interest in the Equipment. Any insurance proceeds received with respect to the Equipment shall be applied, in reduction of the then unpaid obligations of Lessee to Lessor.

14. **INSURANCE:** Lessee shall keep the Equipment insured against theft and all risks of loss or damage from every cause whatsoever for not less than the replacement costs of the equipment or the unpaid amounts of the Lease, whichever is greater and shall carry public liability insurance, both personal injury and property damages, covering the Equipment and its use. All said insurance shall be in form and with companies satisfactory to Lessor. Such insurance for theft, loss or damage shall name Lessor as Loss Payee, and such liability insurance shall name Lessee as Named Insured and Lessor as Additional Insured. Lessee agrees to provide Lessor with certificates or other evidence of insurance to Lessor. In the event that Lessee fails to procure the insurance required prior to the commencement of this lease or if Lessee fails to provide valid evidence, or in the event Lessee fails to maintain the required insurance after the commencement date of the lease, Lessor may, but will not be required to, and without notice to Lessee, include customary charges or fees associated with increased administrative costs and credit risk for property damage coverage to the next monthly rental payment to become due hereunder. Lessor may terminate or allow to lapse any coverage by Lessor without having any liability to Lessee.

15. **COLLECTION EXPENSES, INTEREST AND ADVANCES:** Should Lessee fail to pay any part of the rent herein reserved or any other sum required to be paid by Lessee to Lessor hereunder within 3 days of the due date thereof, Lessee shall pay Lessor a late charge equal to fifteen percent (15%) of each payment not paid when due, and the expenses of any collection agency or services employed by Lessor to collect said payments. In the event Lessor employs the services of any attorney to enforce any of the terms of this Lease, Lessee agrees to pay reasonable attorneys' fees and court costs so incurred by Lessor. All advances made by Lessee to preserve said property or to pay insurance premiums for insurance thereon or to discharge and pay any taxes, liens or encumbrances thereon shall be added to the unpaid balance of rentals due hereunder and shall be repayable by Lessee to Lessor upon demand together with interest thereon at the interest rate of one and one half percent (1 1/2%) per month until paid.

16. **DEFAULT:** Any of the following events or conditions shall constitute an event of default hereunder: (a) Lessee's failure to pay any rent or other sum due Lessor as herein provided within 3 days of the due date thereof; (b) Lessee's failure to observe, keep or perform any other term, covenant or condition of this Lease; (c) the equipment or any part thereof becomes subject to any lien, levy, seizure, attachment, transfer, bulk transfer, encumbrance, application, attachment, execution, sale without the prior written consent of Lessor, or if Lessee abandons the Equipment or permits any other entity or person to use the Equipment without the prior written consent of Lessor; or (d) the filing by or against Lessee of a petition under the Bankruptcy Code or any amendment thereof or under any other insolvency law providing for the relief of debtors; or (e) commencement of any formal or informal proceeding for dissolution, liquidation, settlement of claims against or winding up of the affairs of Lessee, or Lessee ceases doing business as a going concern; or (f) any representation or warranty made by Lessee herein or in any document delivered to Lessor in connection herewith proves to have been false or misleading in any material respect when made; (g) Lessee being in default under any other lease or other contract with Lessor; or (h) any material adverse change in the condition of the Lessee or generator.

17. **LIMITED PREARRANGED AMENDMENTS; SPECIFIC POWER OF ATTORNEY:** In the event it is necessary to amend the terms of this Lease to reflect a change in one or more of the following conditions: (a) Lessor's actual cost of procuring the Equipment, or (b) Lessor's actual cost of providing the Equipment to Lessee, or (c) A change in rental system payments as a result of (1) or (2), above, or (d) Description of the Equipment;

Lessee agrees that any such amendment shall be described in a letter from Lessor to Lessee, and unless within 15 days after the date of such letter Lessee objects in writing to Lessor, this Lease shall be deemed amended and such amendments shall be incorporated in this Lease herein as if originally set forth. Lessee grants to Lessor a specific power of attorney for Lessor in use as follows: (1) Lessor may sign and file on Lessee's behalf any document Lessor deems necessary to perfect or protect Lessor's interest in the Equipment or pursuant to the Uniform Commercial Code; and (2) Lessor may sign, endorse or negotiate for Lessor's benefit any policy of insurance covering the Equipment.

14. **WARRANTY:** Upon the occurrence of an event of default, Lessor may, at its option, (a) by written notice to Lessee declare the Lease to be terminated and the full Lease Term immediately due and payable, whereupon the sum shall become immediately due and payable without further notice or demand; (b) proceed by appropriate court action to enforce performance by Lessee of the applicable covenant or to recover damages for the breach thereof; (c) sue for and recover from Lessee the sum of all unpaid rents and 2% of payments due under this Lease, plus Lessor's attorney's fees at the rate this Lease was entered into of Lessor's reasonable interest in the Equipment, less the net proceeds of the disposition, if any, of the Equipment; (d) terminate this Lease by written notice to Lessee, whereupon all rights of Lessee in and to the Equipment shall terminate and Lessee shall return the Equipment to Lessor as provided in paragraph 20, hereof; (e) require Lessee to return the Equipment and if not so returned, Lessor may personally, or by its agents, and with or without legal process, enter upon the premises where the Equipment is located and repossess the Equipment free from all claims by Lessee and without liability for mesdage or any damages occasioned by such taking of possession, but with return or repossession of the Equipment shall not constitute a termination of this Lease unless Lessor expressly so notifies Lessee in writing; (f) with respect to equipment returned to or repossessed by Lessor, and unless Lessor has terminated this Lease, Lessor, at its option, will attempt to sell or re-lease the Equipment to such persons and upon such terms as Lessor may determine, as one or more public or private sales and with or without notice to Lessee, and apply the net proceeds thereof (after deducting the costs and expenses of such sale or re-lease, including, but not limited to, costs of repossession, transportation, storage, any necessary repairs, broker's fees, attorneys' fees and court costs) to Lessor's obligations hereunder, with Lessee remaining liable for any deficiency and with any excess being paid to the Lessee; or (g) pursue any other remedy at law or in equity including damages rising out of the breach or incidental to the breach, to include lost profits. Lessee agrees to pay Lessor all costs and expenses, including attorneys' fees incurred by Lessor in exercising any of its rights or remedies hereunder or enforcing any of the terms and conditions of this Lease and to pay interest to Lessor of one and one half percent (1 1/2%) per month on any sum not paid when due; in the event Lessor obtains a Judgment against Lessee, the entire sum then owing shall accrue interest at the Judgment rate. No right or remedy conferred upon or reserved to Lessor hereunder is exclusive of any other right to remedy herein or by law provided, but each shall be cumulative and may be enforced separately or concurrently and from time to time. Lessor shall also pay the cost of the repair and storage of any equipment returned to Lessor or repossessed by Lessor. Lessee understands and acknowledges that the Equipment likely will not resell for the amount of the payments due hereunder and that there may be a substantial deficiency upon default and sale.

15. **ASSIGNMENT: LESSEE HAS NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS LEASE.** Lessee understands that Lessor, without prior notice, has the right to assign this lease to a financing source for financing purposes without Lessee's consent to such assignment. Lessee understands that Lessor's assignee will have the same rights and benefits but they do not have to perform any of the Lessor's obligations, including if applicable, but not limited to, any service and maintenance. Lessee agrees that the rights of assignee will not be subject to any claims, defenses, or setoffs that Lessee may have against Lessor.

16. **RETURN OF EQUIPMENT:** Unless Lessee purchases the Equipment in accordance with paragraph 6 hereof, upon expiration of the Lease Term or other termination pursuant to the terms of this Lease, Lessee shall immediately return the Equipment in as good a condition as received, less normal wear, tear and depreciation, to such place as is designated by Lessor. The Equipment shall, at Lessee's sole expense, be properly crated and shipped, by such reasonable means as designated by Lessor, Freight prepaid and properly insured. Should Lessee not return Equipment at the end of the Lease Term, Lessee shall continue to pay rent to Lessor in the sum and on the day does set out in this Lease as a month to month lease term until returned by Lessee. Should Lessee fail to return the Equipment upon demand by Lessor, Lessor may recover from Lessee the replacement value of the Equipment. If the Equipment is damaged, Lessee shall pay the cost of any necessary repairs to the Equipment.

17. **LESSOR'S PAYMENT:** In the event Lessee fails to pay any taxes due pursuant to paragraph 11 hereof, or other amounts due hereunder, or to procure the insurance required pursuant to paragraph 14 hereof, or to perform any of its obligations under this Lease, Lessor may, but without any obligation to do so, pay such amounts or perform such obligations. Lessee shall reimburse Lessor, upon demand the amount of such payment or cost of such performance, plus interest at the rate of one and one half percent (1 1/2%) per month, and Lessee's failure to do so shall be the same as failure to pay any installment of rent hereunder.

18. **ENTIRE AGREEMENT; NON-WAIVER; SEVERABILITY:** This Lease contains the entire agreement and understanding between Lessee and Lessor relating to the subject matter hereof. No agreements or understandings shall be binding on the parties hereto unless set forth in writing and signed by an officer of Lessor. Time is of the essence in this Lease. No waiver by Lessor of any breach or default shall constitute a waiver by Lessor of any additional or subsequent breach or default by Lessee nor shall it be a waiver of any of Lessee's rights. Any provision of this Lease which for any reason may be held unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this Lease, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction.

19. **NOTICES:** Written notices to be given hereunder shall be deemed to have been given and received when delivered personally or deposited in the United States mails, postage prepaid, addressed to each party at its address set forth above or at such other address as such party may have subsequently provided in writing.

20. **JOINT AND SEVERAL LIABILITY:** Herein "Lessee" shall mean and include any and all Lessees who have signed this Lease, each of whom shall be jointly and severally liable.

21. **WARRANTY OF BUSINESS PURPOSE:** Lessee hereby warrants and represents that the Equipment will be used for business purposes, and not for personal, family, household, or agricultural purposes. Lessee acknowledges that Lessor has relied upon this representation in entering into this Lease.

22. **AUTHORIZATION:** Lessee represents and warrants to Lessor that Lessee has complete and unrestricted power to enter into this Lease and that the persons executing this Lease have been duly authorized to execute the same on behalf of Lessee.

23. **WAIVER OF JURY TRIAL:** Lessee, to the extent permitted by applicable law, hereby waives all right to trial by jury in any claim, action, proceeding or counterclaim by either lessor or guarantor against each other on any matter arising out of or in any way connected with the granting, the sale of the equipment or use of the equipment.

24. **SECURITY DEPOSIT:** The Security Deposit is payable upon execution and is non-interest bearing and is to secure Lessee's performance under this lease. Any security deposit made may be applied by Lessor to satisfy any amount owed by Lessee, in which event Lessee will promptly restore the security deposit to its full amount as set forth above. If all conditions herein are fully complied with and provided Lessee has not ever been in default of this lease per paragraph 6, the security deposit will be refunded to lessee after the return of the equipment in accordance with paragraph 6.

25. **COMPUTER SOFTWARE:** If lease is over 50% software, we will need user rental agreement or software addendum signed.

**LESSEE SIGNATURE: THE LESSEE AGREES TO ALL OF THE TERMS AND CONDITIONS CONTAINED IN THIS AGREEMENT. THE LESSEE ALSO ACKNOWLEDGES TO HAVE READ AND AGREED TO ALL THE TERMS AND CONDITIONS AND EACH LEASE HEREUNDER IS A NON-CANCELLABLE NET LEASE FOR THE FULL TERM. LESSEE FURTHER ACKNOWLEDGES THAT THE LEASED EQUIPMENT IS: NEW \_\_\_\_\_ USED \_\_\_\_\_**

Signature X Patrick Kalnas  
(Lessee must be signed by authorized Corporate Officer, Partner or Proprietor)

Date 2/19/05

Print Name Patrick Kalnas

Title President

For: KCRS, Inc.

Legal Name of Corporation/Partnership/Sole Prop.

**ACCEPTED BY LESSOR: THIS AGREEMENT AND EACH INDIVIDUAL LEASE SHALL NOT BE BINDING UPON LESSOR OR BECOME EFFECTIVE UNTIL AND UNLESS LESSOR ACCEPTS THE SAME IN WRITING. THE UNDERSIGNED AGREES TO ALL OF THE TERMS AND CONDITIONS CONTAINED IN THIS AGREEMENT, ON EACH SCHEDULE AND IN ANY OTHER ATTACHMENTS HERETO ALL OF WHICH ARE INCORPORATED HEREIN BY REFERENCE AND MADE A PART OF THIS AGREEMENT AND ALL OF WHICH THE UNDERSIGNED ACKNOWLEDGES TO HAVE READ AND AGREED TO EACH LEASE HEREUNDER IS A NON-CANCELLABLE NET LEASE FOR THE FULL TERM.**

Signature X \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_ For **TRIDENT LEASING CORPORATION** (PAGE 3 OF 4)

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# GUARANTY OF LEASE

Lessee: KCRS, Inc.

Date of Lease:

Lease No.:

This Guaranty Agreement made and entered as of the date written below by the undersigned Guarantor(s) (hereinafter collectively "Guarantor"), in favor of Trilon Leasing Corp., (hereinafter referred to as "Lessor").

WHEREAS, Lessor may enter into a lease and/or other related agreements (hereinafter collectively "Lease") with the above referenced Lessee; and,

WHEREAS, Guarantor has an interest, financial or otherwise, in Lessee, and it is to the benefit of Guarantor that Lessor enter into the Lease with Lessee, and Guarantor has read the proposed Lease in full and finds the terms of said Lease acceptable, and in recognition that Lessor would be unwilling to enter into the Lease without the Guaranty hereinafter set forth, and in recognition of Lessor's reliance upon the Guaranty in entering into the Lease,

NOW, THEREFORE, in order to induce Lessor to enter into the Lease, Guarantor, jointly and severally, unconditionally guarantees the faithful and full performance by Lessee of all terms and conditions of the Lease. In the event of default by Lessee, or failure to faithfully perform any of the terms or conditions required of Lessee under the Lease, or in the event of failure of Lessee to make any or all payments of money required of it under the Lease, Guarantor unconditionally promises to pay to Lessor, in lawful money of the United States, all sums at any time due and unpaid under the Lease, plus costs of collection, including reasonable attorneys' fees with or without trial, and upon appeal and review.

The obligations of Guarantor hereunder are joint and several and are independent of the obligations of Lessee under the Lease, and a separate action or actions may be brought against Guarantor, whether action is brought against Lessee or whether Lessee be joined in any action or actions, the liability of Guarantor hereunder being primary. Guarantor hereby waives the benefit of any suretyship defenses affecting its liability hereunder or the enforcement hereof. Guarantor authorizes Lessor, without notice or demand, and without affecting Guarantor's liability hereunder, from time to time to renew, extend, accelerate, or otherwise change the payment terms or other terms of the Lease or any part thereof. Lessor may without notice, assign this Guaranty in whole or in part.

Guarantor hereby waives any right to require Lessor to: (a) proceed against Lessee; (b) proceed against or exhaust any security held by Lessor; or (c) pursue any other remedy in Lessor's power. Guarantor waives any defense arising by reason of any default of Lessee, or by reason of the cessation, from any cause whatsoever, of the liability of Lessee under the Lease and hereby waives any right to trial by jury in any claim, action, proceeding or counterclaim by either Lessor or Guarantor against each other on any matter arising out of or in any way connected with this guaranty, the sale of the equipment or use of the equipment.

Guarantor waives any and all demands for performance, notices of nonperformance or default, and notices of cancellation or forfeiture. Lessor may apply all proceeds received from Lessee or others to such part of Lessor's indebtedness as Lessor may deem appropriate without consulting Guarantor and without prejudice to or in any way limiting or lessening the liability of Guarantor under this Guaranty. This Guaranty shall not be affected or discharged by the death of the undersigned, and shall inure to the benefit of any successors or assigns of Lessor. This instrument constitutes the entire agreement between Lessor and Guarantor. No oral or written representation not contained herein shall in any way affect this Guaranty, which shall not be modified except by the parties in writing. Waiver by Lessor of any provision hereof in one instance shall not constitute a waiver as to any other instance.

Guarantor, having specifically read and understood Paragraph 8 of the Lease entitled, Choice of Law, hereby agrees to be bound by its terms which are incorporated herein by reference.

**IMPORTANT: THIS AGREEMENT CREATES SPECIFIC LEGAL OBLIGATIONS. DO NOT SIGN IT UNTIL YOU HAVE FULLY READ IT. BY SIGNING, YOU COMPLETELY AGREE TO ITS TERMS.**

IN WITNESS WHEREOF, The undersigned Guarantor(s) has/have executed this Guaranty this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

GUARANTOR: **X**

GUARANTOR: **X**

Print Name: Patrick Kalnas

Print Name:

Home Address: 428 Kingsbrook Drive

Home Address:

City/State/Zip: McDonald, Pennsylvania 15057

City/State/Zip:

## PLEASE COMPLETE

The Equipment will be located on the premises of the landlord or mortgagee listed below:

Landlord or Mortgagee

Telephone

Address

City

State

Zip

11822

## CORPORATE RESOLUTION

At a duly constituted meeting of the Board of Directors of KCRS, Inc., held on December 20, 2004, the following resolution was unanimously passed:

RESOLVED, that Patrick Kalvas in his/her capacity as President is authorized for, on behalf of and in the name of this Corporation, to negotiate, procure and execute such Lease Agreements, with Lessor which in his opinion are necessary or advisable to effectuate the most favorable interest of the Corporation, and the execution of such Lease Agreements by said officer shall be conclusive evidence of his approval thereof.

IN WITNESS WHEREOF, I have affixed my name as Secretary of said Corporation and have caused the corporate seal of the corporation to be hereunto affixed this day of \_\_\_\_\_, 20\_\_\_\_.

KCRS, Inc.  
LESSEE

X Patrick Kalvas  
SECRETARY  
(CORP. SECRETARY SIGNATURE ONLY)



# TRIDENT LEASING CORP

10 ALMADEN BOULEVARD, SUITE 200  
SAN JOSE, CA 95113

WWW.TRIDENTLEASINGCORP.COM

## ADDENDUM "A" MASTER LEASE AGREEMENT NO: \_\_\_\_\_

Reference is made to the above-referenced Master Lease Agreement ("Lease") dated the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ by and between KCRS, Inc. as lessee, and TRIDENT LEASING CORPORATION as Lessor.

Notwithstanding the terms and conditions contained in the Lease and to the limited extent hereof, the parties hereto agree as follows:

"AFTER THE FINAL BASE LEASE PAYMENT HAS BEEN MADE, PLUS ALL ACCRUED BUT UNPAID LATE CHARGES, INTEREST, TAXES, PENALTIES, AND/OR ANY OTHER SUMS DUE AND OWING UNDER THE MASTER LEASE AGREEMENT, AND NO EVENT OF DEFAULT, AS THE SAME IS MORE FULLY DESCRIBED IN SAID LEASE HAS OCCURRED OR IS CONTINUING, (AS TO LEASE SCHEDULE \_\_\_\_\_ TO SAID LEASE) LESSEE SHALL HAVE THE OPTION TO PURCHASE SAID EQUIPMENT FROM LESSOR, OR LESSOR'S ASSIGNEE, FOR ONE FINAL PAYMENT OF THE FAIR MARKET VALUE FOR WHICH TITLE SHALL PASS FROM LESSOR TO LESSEE."

In all other respects, the terms and conditions of the Lease, as originally set forth, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their authorized signatories, have executed this Addendum "A" at the date set forth below their respective signatures.

**LESSEE:**

**LESSOR:**

KCRS, Inc.  
17 Loenberg Road, Suite S  
Cranberry Township, PA 16066

Trident Leasing Corporation  
10 Almaden Boulevard, Suite 200  
San Jose, California 95113-2238

BY: \_\_\_\_\_ 

BY: \_\_\_\_\_

NAME: Patrick Kalnis

NAME: \_\_\_\_\_

TITLE: President

TITLE: \_\_\_\_\_

DATE: 2/19/05

DATE: \_\_\_\_\_

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Lessor: Trident Leasing Corporation  
10 Almaden Boulevard, Suite 200  
San Jose, California 95113-2238

INSURANCE AUTHORIZATION

Insurance Co: Remaley Insurance  
Address: 4130 Monroeville Blvd, Box 667  
City, State Zip: Monroeville, PA 15146  
Phone: (412) 374-0900 Fax: (412) 374-0904  
Contact: Bud Remaley

We have entered into an equipment lease agreement for the equipment shown on the attached Lease Copy. This equipment is located as stored on the Lease.

This is a net lease and we are responsible for the full equipment cost in the amount of \$ .

Please see that we immediately have ALL RISK coverage for liability and full replacement cost of the equipment and that \_\_\_\_\_ is shown as LOSS PAYEE and "Trident Leasing Corp. and or its assigns" is shown as ADDITIONAL INSURED on the policy. Please forward a Certificate of Insurance and Loss Payable/Additional Insured Clause to:

**Manifest Funding Services, 1450 Channel Parkway, Marshall, Minnesota 56258**

Concurrent Certificates of Insurance, thirty (30) days notice in the event of cancellation or alteration, and general correspondence should be sent to the above addressees as well.

Best regards,,

Lessee: KCRS, Inc.

X Patrick Kalnas President  
AUTHORIZED SIGNATURE, Patrick Kalnas TITLE  
DATE EXECUTED BY LESSEE 2/9 2005



Lessor: Trident Leasing Corporation  
10 Almaden Boulevard, Suite 200  
San Jose, California 95113-2238

**LESSEE'S ACKNOWLEDGEMENT &  
DELIVERY ACCEPTANCE RECEIPT**

Lessee: **KCRS, Inc.**  
**17 Leonberg Road, Sulte S**  
**Cranberry Township, Pennsylvania 16066-3601**

**EQUIPMENT DESCRIPTION:**

See Attached Exhibit A

The undersigned hereby acknowledges receipt in good condition of all the above listed property and accepts the same in accordance with all the terms and conditions of the lease agreement between Lessor and the undersigned Lessee. The undersigned Lessee acknowledges with full understanding that the above described equipment lease is **NON-CANCELLABLE** for any reason for the term indicated and according to the terms and provisions thereof. Lessee recognizes and agrees that the Lessor **HAS NO RESPONSIBILITY AS TO SATISFACTION, PERFORMANCE OR MAINTENANCE** of the lease equipment covered therein. Further, Lessee acknowledges that, after the execution to this Delivery Receipt and Acceptance Certificate, it waives its rights to cover, reject or revoke acceptance of the lease equipment. In reliance upon this representation, Lessor will execute the necessary drafts in payment for the equipment.

Lessee states, warrants and agrees that the equipment is to be used solely for business or commercial purposes and is not for personal, or consumer use in any manner

Lessee: KCRS, Inc.

X  President  
AUTHORIZED SIGNATURE, Patrick Kalnas TITLE

DATE EXECUTED BY LESSEE 2/9 2005

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## EXHIBIT "A"

LEASE NO. \_\_\_\_\_

<u>QUANTITY:</u>	<u>EQUIPMENT DESCRIPTION:</u>
1	VXA-2 PACKET 1X10 AUTOLD 1U 1DRV 10SLTLVD 1.6TB
13	Exabyte VXA tape V23 - 1x VXA tape 80 GB/160 GB - VXA - 2 - storage media
1	VXA CLEANING CART

**VENDOR:**

Innovations Tech  
22 Wabash St, Suite 202  
Pittsburgh, PA.15220

This Exhibit "A" is attached to and a part of Lease No. \_\_\_\_\_ and constitutes a true and accurate description of the equipment.

LESSEE: KCRS, Inc.

BY: Patrick Kalpas  
Patrick Kalpas President

BY: \_\_\_\_\_

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EXHIBIT "A"

LEASE NO. \_\_\_\_\_

QUANTITY: EQUIPMENT DESCRIPTION:

Order # 1CD219 x336 IBM Servers

1	SYS.883711 CONFIG	3
883711U	XSERIES 336 3.0GHZ INTEL XEON	3
21P2072	3YR 9X5X4 HOUR RESPONSE	3
32P9669	NO INTERNAL RAID	3
58P8665	SERVER HW CONFIGURATION	3
73P2866	2X1GB PC3200 DDR II	3
73P2867	2X2GB PC3200 DDR II	0
73P2867	2X2GB PC3200 DDR II	0
90P1306	146GB 10K U320 HS SCSI HDD	3
90P1306	146GB 10K U320 HS SCSI HDD	3
73P2866	2X1GB PC3200 DDR II	3
73P2866	2X1GB PC3200 DDR II	3
73P2866	2X1GB PC3200 DDR II	3
09N8043	REMOVE STANDARD XSERIES MEMORY	3
13N2190	SERVER RAID 6I+ CONTROLLER	3

This Exhibit "A" is attached to and a part of Lease No. \_\_\_\_\_ and constitutes a true and accurate description of the equipment.

LESSEE: KCRS, Inc.

BY: Patrick Kalbas  
Patrick Kalbas President

BY: \_\_\_\_\_

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EXHIBIT "A"

LEASE NO. \_\_\_\_\_

QUANTITY: EQUIPMENT DESCRIPTION:

Order # 1CD215 A50 IBM Desk Top Computers

3	SYS.809012	CONFIGURED SYSTEM	3
809012U	EXP TC A50	INTEL PENTIUM 4 2.8	3
73F2952	OFFICE 2003	BASIC PRELOAD	3
19K4322	STICKER FOR	SYSTEM UNIT	3
31P8855	IBM 256MB	PC2700 CL2.5 NP DDR	3
8 63324HN	17" (16"VIS)	IBM E74 CRT	3

This Exhibit "A" is attached to and a part of Lease No. \_\_\_\_\_ and constitutes a true and accurate description of the equipment.

LESSEE: KCRS, Inc.

BY: \_\_\_\_\_

Patrick Kalas


  
President

BY: \_\_\_\_\_

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