

<p><b>GLACIER PURE DRINKING WATERS</b></p>
--

2906 RUBIDOUX BLVD.,  
SUITE E  
P.O. BOX 3037  
RIVERSIDE CA 92519-3037  
(951) 683-3322



[glacierpurewaters@sbcglobal.net](mailto:glacierpurewaters@sbcglobal.net)  
[glacierpurewaters.com](http://glacierpurewaters.com)

<b>To:</b>	Kit Menkin/Leasing News	<b>Fax:</b>	1-800-727-3851
<b>From:</b>	Sheri/Glacier Pure	<b>Date:</b>	10/22/07
<b>Re:</b>	2nd Set Docs	<b>Pages:</b>	27
<b>CC:</b>	.		

Urgent                       Please Comment                       Please Reply                       Please Recycle

Thank you.....

Sheri Miller





**PRODUCTION  
FINANCE, LLC**

*Equipment financing geared for your growth*

*1st Set sent to WJ*

July 18, 2007

**Attn.: Frank Miller**

**Ph: 951-683-3322  
Fax: 951-683-1458**

**From: Chris Douglass  
Production Finance**

**Re: Lease Documents**

Attached are the lease documents which apparently did not arrive by a forwarded e-mail last week.

Please sign and date where indicated and then send by Fedex (Acct. no. 1299-5487-6). No need to send a check.

As soon as a check is received then Puget Sound Leasing will send the deposit money to Webber Automation.

When the documents are signed send directly to:

**Puget Sound Leasing  
5150 Village Park Dr. SE, Suite 200  
Bellevue, WA 98027  
Attn.: Connie Hogue  
Ph: 800-325-3273**

Thank you.

Pages sent: 13

P.S. I just spoke with Sheri at home and I said this could be expedited if you were able to sign her name.

*JOYCE CONNIE*

**EQUIPMENT LEASE**

<b>Puget Sound Leasing Co., Inc.</b> PO Box 1295 Issaquah, WA 98027			<b>LEASE NO.</b> 27171-36494		
<b>FULL LEGAL NAME AND ADDRESS OF LESSEE</b> AQUA PURE WATER INC. dba GLACIER PURE DRINKING WATER 2906 RUBIDOUX BLVD. SUITE E RIVERSIDE CA 92509			<b>SUPPLIER OF EQUIPMENT (COMPLETE ADDRESS)</b> Webber Automation Inc. 1580 Commerce Street, Unit E Corona, CA		
<b>EQUIPMENT DESCRIPTION</b> See Exhibit A					
<b>LOCATION OF EQUIPMENT</b> 2906 RUBIDOUX BLVD. SUITE E RIVERSIDE CA 92509 County: RIVERSIDE					
<b>TERMS OF LEASE</b>					
<b>AMOUNT OF EACH PAYMENT</b>		<b>PAYMENTS WILL BE MADE</b>		<b>INITIAL TERM OF LEASE</b>	
RENTAL \$1,883.32	ESTIMATED SALES TAX \$0.00	TOTAL \$1,883.32	Monthly	MONTHS 60	NO. OF PAYMENTS 60
<b>SECURITY DEPOSIT</b> \$3,386.64		<b>DOCUMENTATION/OTHER FEES</b> \$350.00		<b>ADVANCE PAYMENT</b> \$3,716.64	
				<b>TOTAL INITIAL PAYMENT</b> \$3,716.64	
				<b>PAYMENTS BEGIN ON</b> _____ of Month	

Interim Rental: Interim Rental will be billed and calculated as follows: (Monthly Rental Payment / 30 days x Number of Days Between Acceptance Date and First Payment Due Date) = Total Interim Rental

**TERMS AND CONDITIONS OF LEASE**

- LEASE.** Lessee hereby leases from Lessor, and Lessor leases to Lessee, the personal property described above, together with any replacement parts, additions, repairs or accessories now or hereafter incorporated in or affixed to it (hereinafter referred to as "Equipment").
- SELECTION OF EQUIPMENT.** (A) 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.  
(B) Lessee agrees to inspect the Equipment and to execute an Acceptance notice, as provided by Lessor, after Equipment has been received and after the Lessee is satisfied that the Equipment is satisfactory in every respect.

**THERE ARE NO WARRANTIES BY OR ON BEHALF OF LESSOR.**

- Lessee acknowledges and warrants by his signature below as follows:  
(a) He understands that LESSOR MAKES NO WARRANTIES EITHER EXPRESSED OR IMPLIED AS TO THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, ITS FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE, ITS DESIGN, ITS CAPACITY, ITS QUALITY, OR WITH RESPECT TO ANY CHARACTERISTICS.  
(b) He has fully inspected the Equipment which he has requested Lessor to acquire and lease to him, and it is in good condition and to Lessee's complete satisfaction;  
(c) He leases the Equipment "as is" and with all faults;  
(d) The Equipment is leased solely for commercial or business purposes.  
(e) If Equipment is not properly installed, does not operate as represented or warranted by the supplier or manufacturer, or is unsatisfactory for any reason, regardless of cause or consequence, Lessee's only remedy, if any, shall be against the supplier or manufacturer of the Equipment and not against Lessor.  
(f) Lessor assigns to Lessee any warranties made by the supplier or the manufacturer of the Equipment.

NO DEFECT, DAMAGE OR UNFITNESS OF THE EQUIPMENT FOR ANY PURPOSE SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR RELIEVE LESSEE OF ANY OTHER OBLIGATION UNDER THIS LEASE.

THE PARTIES HAVE SPECIFICALLY NEGOTIATED AND AGREED TO THE FOREGOING PARAGRAPH.

**4. COMMENCEMENT AND TERMINATION.** The lease term shall commence upon Lessee's acceptance of the Equipment. The lease term shall terminate upon expiration of the number of months (following the date of acceptance) set forth in "Terms" above.

**5. RENTAL PAYMENTS.** Lessee agrees to pay the total rent equal to the "Amount of Each Payment" multiplied by the number of payments specified in "No. of Payments." Payments will be made in advance and periodically as specified in "Terms" above. Payments shall be made by Lessee at Lessor's address set forth herein, or as otherwise directed by Lessor. Lessee shall not abate, set off, deduct any amount or reduce any payment for any reason without prior written consent of Lessor. The first payment shall be due on the date of acceptance by Lessee, and remaining payments are due on the day indicated under "Monthly Payment Date" above and shall be due on the same day of each succeeding month throughout the term of the lease.

**THIS LEASE IS NONCANCELABLE.**

SEE FOLLOWING PAGES FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE A PART OF THE LEASE.

LESSEE UNDERSTANDS AND ACKNOWLEDGES THAT NEITHER THE SUPPLIER NOR ANY SALESMAN OR AGENT OF THE SUPPLIER IS AN AGENT OF LESSOR, NO SALESMAN OR AGENT OF THE SUPPLIER IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THIS LEASE, AND NO REPRESENTATION TO THE EQUIPMENT OR ANY OTHER MATTER BY THE SUPPLIER OR ANY SALESMAN OR AGENT OF THE SUPPLIER SHALL IN ANY WAY AFFECT LESSEE'S DUTY TO PAY THE RENTALS AND TO PERFORM LESSEE'S OBLIGATION AS SET FORTH IN THIS LEASE.

**LESSOR:** Puget Sound Leasing Co., Inc.

**LESSEE:** AQUA PURE WATER INC.

By: \_\_\_\_\_ Title \_\_\_\_\_  
 Dan: \_\_\_\_\_

  
 FRANK MILLER PRESIDENT

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

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PRODUCTION FINANCE

PAGE 03/13

AQUA PURE WATER INC.  
 dba GLACIER PURE DRINKING WATER  
 2906 RUBIDOUX BLVD. SUITE E  
 RIVERSIDE, CA. 92509

Lease #: 27171-36494

**6. INTERIM RENTAL.** Lessee acknowledges and agrees to pay Interim Rental which is calculated by dividing the monthly payment by 30 days which equals a daily rate. The daily rate is multiplied by the number of days between the lease acceptance date and the first lease payment due date.

**7. SECURITY.** As security for the prompt and full payment of rent, and the faithful and timely performance of all provisions of this Lease, and any extension or renewal thereof, Lessee has pledged and deposited with Lessor the security amount set forth in the section shown as "TERMS". In the event any default shall be made in the performance of any of Lessee's obligations under this Lease, Lessor shall have the right, but shall not be obligated to apply said security to the curing of such default. Upon notice that Lessor has applied any portion of the security to the curing of any default Lessee shall, within ten (10) days, restore said security to the full amount set forth above. On the expiration or earlier termination of this Lease, or any extension or renewal hereof, provided Lessee has paid all of the rent herein called for and fully performed all of the other provisions of this Lease, Lessor will return to Lessee any then remaining balance of said security. Lessor shall not be required to keep the security deposit separate from its general funds and Lessee shall not be entitled to any interest thereon.

**8. LIMITED PRE-ARRANGED AMENDMENTS.** 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:

- (1) Lessor's actual cost of procuring the Equipment; or
- (2) Lessor's actual cost of providing Equipment to Lessee; or
- (3) A change in lease payments as a result of (1) and/or (2) above; or
- (4) Description of the leased Equipment.

Lessee agrees that any such amendment shall be described in a letter from Lessor to Lessee, and unless Lessee objects thereto in a writing delivered to Lessor within fifteen (15) days of mailing of such letter from Lessor to Lessee, this Lease shall be deemed amended and such amendments shall be incorporated herein as if originally set forth herein. Further, Lessee hereby authorizes Lessor to insert in this Lease the serial number and other identification of the Equipment when determined by Lessor.

**9. LOCATION.** The equipment shall be kept at the location specified above or, if none is specified, at Lessee's address as set forth above, and shall not be removed therefrom without Lessor's prior written consent.

**10. USE.** Lessee warrants that it is using the equipment for commercial use only. Lessee shall use the equipment in a careful manner, make all necessary repairs at Lessee's expense, and shall comply with all laws relating to its possession, use or maintenance and shall not make any alterations, additions or improvements to the equipment without Lessor's prior written consent. All additions, repairs or improvements made to the equipment shall belong to the Lessor.

**11. OWNERSHIP; PERSONALTY.** The Equipment is, and shall remain, the property of Lessor, and Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Lease. The Equipment shall remain personal property even though installed in or attached to real property.

**12. SURRENDER.** By this Lease, Lessee acquires no ownership rights in the Equipment, and has no option to purchase same. Upon the expiration or earlier termination of this Lease, Lessee, at its expense, shall return the Equipment in good repair, ordinary wear and tear resulting from proper use thereof alone excepted, by delivering it, packed and ready for shipment, to such place or carrier as Lessor may specify.

**13. LOSS AND DAMAGE.** Lessee shall bear the entire risk of loss, theft, damage or destruction of the Equipment from any cause whatsoever, and no loss, theft, damage or destruction of the Equipment shall relieve Lessee of the obligation to pay rent or comply with any other obligations under this Lease. In the event of damage to any item of Equipment, Lessee shall immediately place the same in good repair at Lessee's expense. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee shall, at Lessee's option, do one of the following:

- (a) Replace the same with like equipment in good repair, acceptable to Lessor, or
- (b) Pay Lessor in cash the following: (i) all amounts due by Lessee to Lessor

under this Lease up to the date of the loss; (ii) the unpaid balance of the total rent for the remaining term of this Lease attributable to said item, reduced to present value. Upon Lessor's receipt of payment as set forth above, Lessee shall be entitled to the salvage value of the Equipment, if any; and (iii) an amount equal to ten percent (10%) of the original cost of said item, which the parties agree shall represent a liquidated value of the Lessor's reversionary interest in the Equipment. If insurance proceeds are used to comply with this subparagraph, the balance of any such proceeds shall go to Lessee to compensate for loss of use of the Equipment for the remaining term of the Lease.

**14. INSURANCE; LIENS; TAXES.** Lessee shall provide and maintain insurance against loss, theft, damage or destruction of the Equipment in an amount not less than the full replacement value of the Equipment, with loss payable to Lessor. Lessee also shall provide and maintain comprehensive general all-risk liability insurance to include but not limited to product liability coverage, insuring Lessor and Lessee, with a severability of interest endorsement or its equivalent, against any and all loss or liability for all damages, either to persons or property or otherwise, which might result from or happen in connection with the condition, use or operation of the Equipment, with such limits and with an insurer satisfactory to Lessor. Each policy shall expressly provide that said insurance as to Lessor and its assigns shall not be invalidated by any act, omission or neglect of Lessee and cannot be canceled without thirty (30) days written notice to Lessor. As to each policy, Lessee shall furnish to Lessor a certificate of insurance from the insurer, which certificate shall evidence the insurance coverage required by this paragraph. Lessee shall keep the Equipment free and clear of all liens, liens and Encumbrances. Lessee shall pay all charges and taxes (local, state and federal), including Personal Property Tax and service fees associated with same, which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's Net income. If Lessee fails to procure or maintain said insurance as required by this lease, Lessor shall have the right, but shall not be obligated, to secure insurance on the Equipment in such form and amount as Lessor deems reasonable to protect Lessor's interest. Lessee understands that, if Lessor secures insurance on the Equipment the insurance may not name Lessee as an insured and may not fully protect Lessee's interest.

Lessee agrees that, if Lessor secures insurance on the Equipment, Lessee will pay an insurance charge that may be substantially higher than the premium that Lessee would pay if Lessee placed said insurance independently. Lessee agrees that, in addition to the premium, the insurance charge Lessee is required to pay Lessor will include an interest charge, administrative and processing fees, which will result in profit to Lessor.

**15. INDEMNITY.** Lessee shall indemnify Lessor against any claims, actions, damages or liabilities, including all attorney fees, arising out of or connected with the Equipment, without limitation. Lessee waives any immunity Lessee may have under any industrial insurance act, with regard to indemnification of Lessor.

**16. ASSIGNMENT.** Without Lessor's prior written consent, Lessee shall not assign this Lease or sublease the Equipment covered hereby, or pledge or otherwise dispose of this Lease or the Equipment covered hereby, or any interest therein. Any assignee of Lessor shall have all of the rights but none of the obligations of Lessor under Lease. Lessee shall recognize and consent to any assignment of this Lease by Lessor, and shall not assert against the assignee any defense, counterclaim or set-off that Lessee may have against Lessor. Subject to the foregoing, this Lease inures to the benefits of and is binding upon the heirs, legatees, devisees, personal representatives, survivors, successors in interest and assigns of the parties hereto.

**17. SERVICE CHARGES AND INTEREST.** If Lessee shall fail to make any payment required by this Lease within ten (10) days of the due date thereof, Lessee shall pay to Lessor a service charge of ten percent (10%) of the amount due or \$10.00 whichever is greater, provided however, that not more than one such service charge shall be made on any delinquent payment, regardless of the length of the delinquency. In addition, Lessee shall pay to Lessor any actual additional expenses incurred by Lessor in collection efforts, including but not limited to long distance telephone charges and travel expenses. Further, Lessee shall pay to Lessor interest on any such delinquent payment from the due date thereof until paid, at the lesser of the maximum rate of interest allowed by law or eighteen percent (18%) per annum.

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PRODUCTION FINANCE

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AQUA PURE WATER INC.  
dba GLACIER PURE DRINKING WATER  
2906 RUBIDOUX BLVD. SUITE E  
RIVERSIDE, CA 92509

Lease #: 27171-36494

**18. TIME OF ESSENCE.** Time is of the essence of this Lease, and this provision shall not be impliedly waived by the acceptance on occasion of late or defective performance.

**19. DEFAULT.** Lessee shall be in default if:

- (1) Lessee shall fail to make any payment due under the terms of this Lease for a period of ten (10) days from the date thereof; or
- (2) Lessee shall fail to observe, keep or perform any provision of this Lease, and such failure shall continue for a period of ten (10) days; or
- (3) Lessee has made any misleading or false statements in connection with application for or performance of this Lease; or
- (4) The Equipment or any part thereof shall be subject to any levy seizure, assignment, transfer, encumbrance, application, attachment, execution, sublease or sale without prior written consent of Lessor, or if Lessee shall abandon the property or permit any other entity or person to use the Equipment without the prior written consent of Lessor.

**20. REMEDIES.** If Lessee is in default, Lessor, with or without notice to Lessee, shall have the right to exercise any one or more of the following remedies, concurrently or separately, and without any election of remedies being deemed to have been made:

(a) Lessor may enter upon Lessee's premises and without any court order or other process of law, may repossess and remove the Equipment, either with or without notice to Lessee. Lessee hereby waives any trespass or right of action for damages by reason of such entry or removal. Any such repossession shall not constitute a termination of this Lease unless Lessor so notifies Lessee in writing;

(b) Lessor may terminate this Lease and retain as damages any and all rents paid by Lessee;

(c) Lessor may sue for and recover all rents and other payments then accrued or thereafter accruing as same shall accrue with respect to any or all items of Equipment;

(d) Lessor may declare the entire amount of rent hereunder immediately due and payable as to any or all items of Equipment without notice or demand to Lessee;

(e) Lessor may lease the Equipment to any third party, upon such terms and conditions as Lessor shall determine, or may sell the Equipment at private or public sale, at which sale Lessor may be the purchaser. In either of such events, there shall be due from Lessee and shall immediately pay to Lessor the total unpaid rental provided to be paid herein less the net proceeds of the sale or release, net proceeds being defined as follows:

(1) The total of rentals to be received from any third person or the purchase price at said sale, as the case may be, less all costs and expenses of Lessor in repossessing, re-leasing, transporting, repairing, selling or otherwise handling the Equipment, and if Lessor sells the Equipment less an amount equal to ten percent (10%) of the original cost of said Equipment, which the parties agree shall represent a liquidated value of the Lessor's reversionary interest in the Equipment.

(f) To pursue any other remedy available at law or in equity.

No right or remedy herein conferred upon or reserved to Lessor is exclusive of any other right or remedy hereid, or by law or by equity provided or permitted, but each shall be cumulative of every other right or remedy given herein or now or hereafter existing by law or equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time. No single or partial exercise by Lessor of any right or remedy hereunder shall preclude any other or further exercise of any other right or remedy.

Lessor is also entitled to such remedies as set forth in article 2A of the uniform commercial code.

**21. MULTIPLE LESSEES.** Lessor may, with the consent of any one of the Lessees hereunder, modify, extend or change any of the terms hereof without consent or knowledge of the others, without in any way releasing, waiving or impairing any right granted to Lessor against the others.

**22. JURISDICTION/VENUE.** This lease shall not be fully executed and effective until signed by Lessor at its principal place of business in Issaquah, King County, Washington, and shall be interpreted in accordance with the laws of the State of Washington. Lessee agrees and consents to jurisdiction in the district or superior courts in Issaquah, and/or King County, Washington. Lessee agrees that venue may be laid in Issaquah, and/or King County, Washington, in the case of any action, suit or proceeding arising out of this lease, and concedes that it, and each of them, transacted business in said state by entering into this lease.

**23. EXPENSE OF ENFORCEMENT.** If enforcement or collection action is taken by Lessor to enforce any term of this Lease, the prevailing party in any such action shall be entitled to a reasonable attorney fee, including attorney fees incurred at trial, on appeal and review, or incurred without actions, suits, or proceedings, together with all costs and expenses incurred in pursuit thereof.

**24. REPRESENTATIONS OF LESSEE.** Lessee hereby represents and warrants to Lessor and its successors and assigns that (a) if Lessee is a corporation, (i) Lessee has all requisite power and authority to execute this Lease and to perform its obligations hereunder, (ii) the execution of this Lease and the performance of Lessee's obligations hereunder have been duly authorized by all requisite action of the Lessee and (iii) this Lease has been properly executed by a duly authorized representative of the Lessee, (b) this Lease is a valid and binding obligation of the Lessee and (c) the Equipment will be used for business or commercial purposes and not for personal, family or household purposes.

If Lessor supplies Lessee with labels indicating that the Equipment is owned by Lessor, Lessee shall affix such labels and keep them in a prominent place on the Equipment.

**25. SPECIAL POWER OF ATTORNEY.** Lessor is hereby authorized by Lessee, at Lessee's expense, to execute this Lease, or any statement or other instrument in respect of this Lease showing the interest of Lessor in the Equipment, including Uniform Commercial Code Financing Statements, to be filed or recorded and refiled and re-recorded and grants to Lessor the right to execute Lessee's name thereto. Lessee agrees to execute and deliver any statement or instrument requested by Lessor for such purpose and agrees to pay or reimburse Lessor its reasonable expenses for any searches, filings, recordings or stamp fees or taxes arising from the filing or recording of any such instrument or statement. However, no filing of a financing statement shall be deemed evidence of any intention to create a security interest under the Uniform Commercial Code, if being the intention of the parties hereto that this Lease be construed as a lease and not as a security agreement.

**26. FINANCIAL STATEMENT.** The Lessor may require from time to time, and Lessee agrees to furnish, statements setting forth the current financial condition and operations of Lessee.

**27. ENTIRE AGREEMENT; WAIVER.** This instrument constitutes the entire agreement between Lessor and Lessee. Except as provided in Paragraph 8 hereof, no provision of this Lease shall be modified unless in writing signed by an authorized representative of Lessor. Waiver by Lessee of any provision hereof in one instance shall not constitute a waiver as to any other instance. It is further agreed that the rights and remedies of the parties are governed by this Agreement and Lessee waives any and all rights and remedies granted by Sections 2A-508 through 2A-522 of the Uniform Commercial Code.

 Initial Here: \_\_\_\_\_

Lease #: 27171-36494

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

### UNCONDITIONAL GUARANTY OF LEASE

In consideration of the making of the above lease agreement by lessor with lessee, at the request of the undersigned and in reliance on this guaranty, the undersigned (if more than one, then jointly and severally) as a direct and primary obligation, guarantees to lessor and any assignee of lessor (hereinafter called "holder") the prompt payment of all rent to be paid by the lessee and the performance by the lessee of all terms, conditions, covenants and agreements of lessee, irrespective of any invalidity or unenforceability thereof or the security therefore. The undersigned promises to pay all of the holder's expenses, including attorneys' fees and costs incurred by or in enforcing this guaranty. The undersigned waive notice of acceptance hereof, presentment, demand, protest, notice of protest or any defaults and consents that the holder may, without affecting the obligation hereunder, grant the lessee any extension or indulgence under the lease, and may proceed directly against the undersigned without first proceeding against lessee or liquidating or otherwise disposing of any security afforded holder under the lease. Accounts settled or stated between holder and lessee shall bind the undersigned. This guaranty agreement shall be governed by and constructed in accordance with the laws of the State of Washington. Guarantors hereby consent and submit to the jurisdiction of the respective courts of Issaquah, and/or King County, State of Washington for purposes of enforcement of the guaranty agreement.

Any married person who signs this guaranty agrees that recourse may be had against his or her separate property for all his or her obligations hereunder and against community property as allowed by the community property laws of the State of Washington.

This guaranty shall bind the respective heirs, administrators, representatives, successors and assigns of the undersigned.

X \_\_\_\_\_, Individually X \_\_\_\_\_, Individually  
FRANK MILLER SHERI MILLER

X \_\_\_\_\_, Individually X \_\_\_\_\_, Individually

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

Lease #: 27171-36494

**LESSEE'S ACCEPTANCE OF PROPERTY**

We hereby acknowledge that on the date indicated below the equipment described in the Equipment Lease referred to above has been received in good condition and repair, has been properly installed, and is operating satisfactorily. We hereby accept said equipment as satisfactory in all respects for the purpose of said Lease.

We will make all payments to Lessor or their order. We agree that any rights we may have against the supplier or manufacturer of said equipment will not be asserted as an abatement, set-off, counterclaim, defense or any deduction whatsoever against Lessor.

We confirm that Puget Sound Leasing Co., Inc. has made no warranty or representation, express or implied, of merchantability, fitness for a particular purpose, design, condition, workmanship or otherwise of the equipment, and accept said equipment as is, where is.

By signature below I authorize Puget Sound Leasing Co., Inc. to make payment to the supplier of the equipment described in the above referenced Equipment Lease. Lessee agrees that said equipment has not been delivered to the undersigned, installed, or accepted on trial basis.

Date of Acceptance: \_\_\_\_\_

Lessee: **AQUA PURE WATER INC.**  
**dba GLACIER PURE DRINKING WATER**

BY: X \_\_\_\_\_ **PRESIDENT**  
Signature **FRANK MILLER** Title

BY: X \_\_\_\_\_  
Signature Title

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

**EXHIBIT "A"**

**Vendor** Webber Automation Inc.  
1880 Commerce Street, Unit E  
Corona, CA

**Lease #:** 27171-38484

**Equipment Description: WATER BOTTLING EQUIPMENT**

Quantity	Description	Serial Number(s)
1	Electrical Sub Panels for RO, Pumps, Ozone & WRX 200 Interconnecting plumbing & piping	
2	WTPOL-2500 Tank	
2	WSP-3030 Delivery Pumps Product Tank & Delivery	
1	WRX 200 Automatic Bottling Machine of the new Millenium	

This exhibit "A" is attached to and made a part of the equipment lease and constitutes a true and accurate description of the equipment.

**Lessee: AQUA PURE WATER INC.  
dba GLACIER PURE DRINKING WATER**

 **By:** FRANK MILLER

**Title:** PRESIDENT

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





**PRODUCTION  
FINANCE, LLC**

*Equipment financing geared for your growth*

*This is a completely different Paper Then*

*Claims we got all this when he sent 2nd plug.*

July 18, 2007

**Attn.: Frank Miller**

**Ph: 951-683-3322  
Fax: 951-683-1458**

**From: Chris Douglass  
Production Finance**

**Re: Lease Documents**

Attached are the lease documents which apparently did not arrive by a forwarded e-mail last week.

Please sign and date where indicated and then send by Fedex (Acct. no. 1299-5487-6). No need to send a check.

As soon as a check is received then Puget Sound Leasing will send the deposit money to Webber Automation.

When the documents are signed send directly to:


**Puget Sound Leasing  
5150 Village Park Dr. SE, Suite 200  
Bellevue, WA 98027  
Attn.: Connie Hogue  
Ph: 800-325-3273**

Thank you.

Pages sent: 13

P.S. I just spoke with Sheri at home and I said this could be expedited if you were able to sign her name.

**EQUIPMENT LEASE**

 <b>Puget Sound Leasing Co., Inc.</b> PO Box 1295 Issaquah, WA 98027			<b>LEASE NO.</b> 27171-36494		
<b>FULL LEGAL NAME AND ADDRESS OF LESSEE</b> AQUA PURE WATER INC. dba GLACIER PURE DRINKING WATER 2806 RUBIDOUX BLVD. SUITE E RIVERSIDE CA 92509			<b>SUPPLIER OF EQUIPMENT (COMPLETE ADDRESS)</b> Webber Automation Inc. 1580 Commerce Street, Unit E Corona, CA		
<b>EQUIPMENT DESCRIPTION</b> See Exhibit A					
<b>LOCATION OF EQUIPMENT</b> 2806 RUBIDOUX BLVD. SUITE E RIVERSIDE CA 92509 County: RIVERSIDE					
<b>TERMS OF LEASE</b>					
<b>AMOUNT OF EACH PAYMENT</b>		<b>PAYMENTS WILL BE MADE</b>		<b>INITIAL TERM OF LEASE</b>	
<b>RENTAL</b>	<b>ESTIMATED SALES TAX</b>	<b>TOTAL</b>	<b>MONTHS</b>	<b>NO. OF PAYMENTS</b>	<b>PAYMENTS BEGON ON</b>
\$1,883.32	\$0.00	\$1,883.32	60	60	
<b>SECURITY DEPOSIT</b>		<b>DOCUMENTATION/OTHER FEES</b>		<b>ADVANCE PAYMENT</b>	
\$3,366.64		\$390.00			
				<b>TOTAL INITIAL PAYMENT</b>	
				\$3,716.64	
<b>MONTHLY PAYMENT DATE</b>					
_____ of Month					

**TERMS AND CONDITIONS OF LEASE**

Interim Rental: Interim Rental will be billed and calculated as follows: (Monthly Rental Payment / 30 days x Number of Days Between Acceptance Date and First Payment Due Date) = Total Interim Rental

- LEASE.** Lessee hereby leases from Lessor, and Lessor leases to Lessee, the personal property described above, together with any replacement parts, additions, repairs or accessories now or hereafter incorporated in or affixed to it (hereinafter referred to as "Equipment").
- SELECTION OF EQUIPMENT.** (A) 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.  
 (B) Lessee agrees to inspect the Equipment and to execute an Acceptance notice, as provided by Lessor, after Equipment has been received and after the Lessee is satisfied that the Equipment is satisfactory in every respect.

**THERE ARE NO WARRANTIES BY OR ON BEHALF OF LESSOR.**

- Lessee acknowledges and warrants by his signature below as follows:  
 (a) He understands that LESSOR MAKES NO WARRANTIES EITHER EXPRESSED OR IMPLIED AS TO THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, ITS FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE, ITS DESIGN, ITS CAPACITY, ITS QUALITY, OR WITH RESPECT TO ANY CHARACTERISTICS.  
 (b) He has fully inspected the Equipment which he has requested Lessor to acquire and lease to him, and it is in good condition and to Lessee's complete satisfaction;  
 (c) He leases the Equipment "as is" and with all faults;  
 (d) The Equipment is leased solely for commercial or business purposes.  
 (e) If Equipment is not properly installed, does not operate as represented or warranted by the supplier or manufacturer, or is unsatisfactory for any reason, regardless of cause or consequences, Lessor's only remedy, if any, shall be against the supplier or manufacturer of the Equipment and not against Lessor.  
 (f) Lessor assigns to Lessee any warranties made by the supplier or the manufacturer of the Equipment.  
**NO DEFECT, DAMAGE OR UNFITNESS OF THE EQUIPMENT FOR ANY PURPOSE SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR RELIEVE LESSEE OF ANY OTHER OBLIGATION UNDER THIS LEASE.**

THE PARTIES HAVE SPECIFICALLY NEGOTIATED AND AGREED TO THE FOREGOING PARAGRAPH.

- COMMENCEMENT AND TERMINATION.** The lease term shall commence upon Lessee's acceptance of the Equipment. The lease term shall terminate upon expiration of the number of months (following the date of acceptance) set forth in "Terms" above.

- RENTAL PAYMENTS.** Lessee agrees to pay the total rent equal to the "Amount of Each Payment" multiplied by the number of payments specified in "No. of Payments." Payments will be made in advance and periodically as specified in "Terms" above. Payments shall be made by Lessee at Lessor's address set forth herein, or as otherwise directed by Lessor. Lessee shall not abate, set off, deduct any amount or reduce any payment for any reason without prior written consent of Lessor. The first payment shall be due on the date of acceptance by Lessee, and remaining payments are due on the day indicated under "Monthly Payment Date" above and shall be due on the same day of each succeeding month throughout the term of the lease.

**THIS LEASE IS NONCANCELABLE.**

SEE FOLLOWING PAGES FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE A PART OF THE LEASE.

LESSEE UNDERSTANDS AND ACKNOWLEDGES THAT NEITHER THE SUPPLIER NOR ANY SALESMAN OR AGENT OF THE SUPPLIER IS AN AGENT OF LESSOR, NO SALESMAN OR AGENT OF THE SUPPLIER IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THIS LEASE, AND NO REPRESENTATION TO THE EQUIPMENT OR ANY OTHER MATTER BY THE SUPPLIER OR ANY SALESMAN OR AGENT OF THE SUPPLIER SHALL IN ANY WAY AFFECT LESSEE'S DUTY TO PAY THE RENTALS AND TO PERFORM LESSEE'S OBLIGATION AS SET FORTH IN THIS LEASE.

**LESSOR: Puget Sound Leasing Co., Inc.**

**LESSEE: AQUA PURE WATER INC.**

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

By:  \_\_\_\_\_  
 FRANK MILLER PRESIDENT

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

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PRODUCTION FINANCE

PAGE 03/13

AQUA PURE WATER INC.  
dba GLACIER PURE DRINKING WATER  
2906 RUBIDOUX BLVD. SUITE E  
RIVERSIDE, CA 92509

Lease #: 27171-36494

**6. INTERIM RENTAL.** Lessee acknowledges and agrees to pay Interim Rental which is calculated by dividing the monthly payment by 30 days which equals a daily rate. The daily rate is multiplied by the number of days between the lease acceptance date and the first lease payment due date.

**7. SECURITY.** As security for the prompt and full payment of rent, and the faithful and timely performance of all provisions of this Lease, and any extension or renewal thereof, Lessee has pledged and deposited with Lessor the security amount set forth in the section shown as 'TERMS'. In the event any default shall be made in the performance of any of Lessee's obligations under this Lease, Lessor shall have the right, but shall not be obligated to apply said security to the curing of such default. Upon notice that Lessor has applied any portion of the security to the curing of any default Lessee shall, within ten (10) days, restore said security to the full amount set forth above. On the expiration or earlier termination of this Lease, or any extension or renewal hereof, provided Lessee has paid all of the rent herein called for and fully performed all of the other provisions of this Lease, Lessor will return to Lessee any then remaining balance of said security. Lessor shall not be required to keep the security deposit separate from its general funds and Lessee shall not be entitled to any interest thereon.

**8. LIMITED PRE-ARRANGED AMENDMENTS.** 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:

- (1) Lessor's actual cost of procuring the Equipment; or
- (2) Lessor's actual cost of providing Equipment to Lessee; or
- (3) A change in lease payments as a result of (1) and/or (2) above; or
- (4) Description of the leased Equipment.

Lessee agrees that any such amendment shall be described in a letter from Lessor to Lessee, and unless Lessee objects thereto in a writing delivered to Lessor within fifteen (15) days of mailing of such letter from Lessor to Lessee, this Lease shall be deemed amended and such amendments shall be incorporated herein as it originally set forth herein. Further, Lessee hereby authorizes Lessor to insert in this Lease the serial number and other identification of the Equipment when determined by Lessor.

**9. LOCATION.** The equipment shall be kept at the location specified above or, if none is specified, at Lessor's address as set forth above, and shall not be removed therefrom without Lessor's prior written consent.

**10. USE.** Lessee warrants that it is using the equipment for commercial use only. Lessee shall use the equipment in a careful manner, make all necessary repairs at Lessee's expense, and shall comply with all laws relating to its possession, use or maintenance and shall not make any alterations, additions or improvements to the equipment without Lessor's prior written consent. All additions, repairs or improvements made to the equipment shall belong to the Lessor.

**11. OWNERSHIP; PERSONALTY.** The Equipment is, and shall remain, the property of Lessor, and Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Lease. The Equipment shall remain personal property even though installed in or attached to real property.

**12. SURRENDER.** By this Lease, Lessee acquires no ownership rights in the Equipment, and has no option to purchase same. Upon the expiration or earlier termination of this Lease, Lessee, at its expense, shall return the Equipment in good repair, ordinary wear and tear resulting from proper use thereof alone excepted, by delivering it, packed and ready for shipment, to such place or carrier as Lessor may specify.

**13. LOSS AND DAMAGE.** Lessee shall bear the entire risk of loss, theft, damage or destruction of the Equipment from any cause whatsoever, and no loss, theft, damage or destruction of the Equipment shall relieve Lessee of the obligation to pay rent or comply with any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee shall immediately place the same in good repair at Lessee's expense. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee shall, at Lessee's option, do one of the following:

- (a) Replace the same with like equipment in good repair, acceptable to Lessor, or
- (b) Pay Lessor in cash the following: (i) all amounts due by Lessee to Lessor

under this Lease up to the date of the loss; (ii) the unpaid balance of the total rent for the remaining term of this Lease attributable to said item, reduced to present value. Upon Lessor's receipt of payment as set forth above, Lessee shall be entitled to the salvage value of the Equipment, if any; and (iii) an amount equal to ten percent (10%) of the original cost of said item, which the parties agree shall represent a liquidated value of the Lessor's reversionary interest in the Equipment. If insurance proceeds are used to comply with this subparagraph, the balance of any such proceeds shall go to Lessee to compensate for loss of use of the Equipment for the remaining term of the Lease.

**14. INSURANCE; LIENS; TAXES.** Lessee shall provide and maintain insurance against loss, theft, damage or destruction of the Equipment in an amount not less than the full replacement value of the Equipment, with loss payable to Lessor. Lessee also shall provide and maintain comprehensive general all-risk liability insurance to include but not limited to product liability coverage, insuring Lessor and Lessee, with a severability of interest endorsement or its equivalent, against any and all loss or liability for all damages, either to persons or property or otherwise, which might result from or happen in connection with the condition, use or operation of the Equipment, with such limits and with an insurer satisfactory to Lessor. Each policy shall expressly provide that said insurance as to Lessor and its assigns shall not be invalidated by any act, omission or neglect of Lessee and cannot be canceled without thirty (30) days written notice to Lessor. As to such policy, Lessee shall furnish to Lessor a certificate of insurance from the insurer, which certificate shall evidence the insurance coverage required by this paragraph. Lessee shall keep the Equipment free and clear of all liens, Hens and Encumbrances. Lessee shall pay all changes and taxes (local, state and federal), including Personal Property Tax and service fees associated with same, which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase possession or use of the Equipment, including however, all taxes on or measured by Lessor's Net income. If Lessee fails to procure or maintain said insurance as required by this lease, Lessor shall have the right, but shall not be obligated, to secure insurance on the Equipment in such form and amount as Lessor deems reasonable to protect Lessor's interest. Lessee understands that, if Lessor secures insurance on the Equipment the insurance may not name Lessee as an insured and may not fully protect Lessor's interest.

Lessee agrees that, if Lessor secures insurance on the Equipment, Lessee will pay an insurance charge that may be substantially higher than the premium that Lessee would pay if Lessee placed said insurance independently. Lessee agrees that, in addition to the premium, the insurance charges Lessee is required to pay Lessor will include an interest charge, administrative and processing fees, which will result in profit to Lessor.

**15. INDEMNITY.** Lessee shall indemnify Lessor against any claims, actions, damages or liabilities, including all attorney fees, arising out of or connected with the Equipment, without limitation. Lessee waives any immunity Lessee may have under any industrial insurance act, with regard to indemnification of Lessor.

**16. ASSIGNMENT.** Without Lessor's prior written consent, Lessee shall not assign this Lease or sublease the Equipment covered hereby, or pledge or otherwise dispose of this Lease or the Equipment covered hereby, or any interest therein. Any assignee of Lessor shall have all of the rights but none of the obligations of Lessor under Lease. Lessee shall recognize and consent to any assignment of this Lease by Lessor, and shall not assert against the assignee any defense, counterclaim or set-off that Lessee may have against Lessor. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, legatees, devisees, personal representatives, survivors, successors in interest and assigns of the parties hereto.

**17. SERVICE CHARGES AND INTEREST.** If Lessee shall fail to make any payment required by this Lease within ten (10) days of the due date thereof, Lessee shall pay to Lessor a service charge of ten percent (10%) of the amount due or \$10.00 whichever is greater, provided however, that not more than one such service charge shall be made on any delinquent payment, regardless of the length of the delinquency. In addition, Lessee shall pay to Lessor any actual additional expenses incurred by Lessor in collection efforts, including but not limited to long distance telephone charges and travel expenses. Further, Lessee shall pay to Lessor interest on any such delinquent payment from the due date thereof until paid, at the lesser of the maximum rate of interest allowed by law or eighteen percent (18%) per annum.

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PRODUCTION FINANCE

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AQUA PURE WATER INC.  
dba GLACIER PURE DRINKING WATER  
2906 RUBIDOUX BLVD. SUITE B  
RIVERSIDE, CA 92509

Lease #: 27171-36494

**18. TIME OF ESSENCE.** Time is of the essence of this Lease, and this provision shall not be impliedly waived by the acceptance on occasion of late or defective performance.

**19. DEFAULT.** Lessee shall be in default if:

- (1) Lessee shall fail to make any payment due under the terms of this Lease for a period of ten (10) days from the date thereof; or
- (2) Lessee shall fail to observe, keep or perform any provision of this Lease, and such failure shall continue for a period of ten (10) days; or
- (3) Lessee has made any misleading or false statements in connection with application for or performance of this Lease; or
- (4) The Equipment or any part thereof shall be subject to any levy seizure, assignment, transfer, encumbrance, application, attachment, execution, sublease or sale without prior written consent of Lessor, or if Lessee shall abandon the property or permit any other entity or person to use the Equipment without the prior written consent of Lessor.

**20. REMEDIES.** If Lessee is in default, Lessor, with or without notice to Lessee, shall have the right to exercise any one or more of the following remedies, concurrently or separately, and without any election of remedies being deemed to have been made:

- (a) Lessor may enter upon Lessee's premises and without any court order or other process of law, may repossess and remove the Equipment, either with or without notice to Lessee. Lessee hereby waives any trespass or right of action for damages by reason of such entry or removal. Any such repossession shall not constitute a termination of this Lease unless Lessor so notifies Lessee in writing;
- (b) Lessor may terminate this Lease and retain as damages any and all rents paid by Lessee;
- (c) Lessor may sue for and recover all rents and other payments then accrued or thereafter accruing as same shall accrue with respect to any or all items of Equipment;
- (d) Lessor may declare the entire amount of rent hereunder immediately due and payable as to any or all items of Equipment without notice or demand to Lessee;
- (e) Lessor may lease the Equipment to any third party, upon such terms and conditions as Lessor shall determine, or may sell the Equipment at private or public sale, at which sale Lessor may be the purchaser. In either of such events, there shall be due from Lessee and shall immediately pay to Lessor the total unpaid rental provided to be paid herein less the net proceeds of the sale or re-lease, net proceeds being defined as follows:
  - (1) The total of rentals to be received from any third person or the purchase price at said sale, as the case may be, less all costs and expenses of Lessor in repossessing, re-leasing, transporting, repairing, selling or otherwise handling the Equipment, and if Lessor sells the Equipment less an amount equal to ten percent (10%) of the original cost of said Equipment, which the parties agree shall represent a liquidated value of the Lessor's reversionary interest in the Equipment.

(f) To pursue any other remedy available at law or in equity.

No right or remedy herein conferred upon or reserved to Lessor is exclusive of any other right or remedy herein, or by law or by equity provided or permitted, but each shall be cumulative of every other right or remedy given herein or now or hereafter existing by law or equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time. No single or partial exercise by Lessor of any right or remedy hereunder shall preclude any other or further exercise of any other right or remedy.

Lessor is also entitled to such remedies as set forth in article 2A of the uniform commercial code.

**21. MULTIPLE LESSEES.** Lessor may, with the consent of any one of the Lessees hereunder, modify, extend or change any of the terms hereof without consent or knowledge of the others, without in any way releasing, waiving or impairing any right granted to Lessor against the others.

**22. JURISDICTION/VENUE.** This lease shall not be fully executed and effective until signed by Lessor at its principal place of business in Issaquah, King County, Washington, and shall be interpreted in accordance with the laws of the State of Washington. Lessee agrees and consents to jurisdiction in the district or superior courts in Issaquah, and/or King County, Washington. Lessee agrees that venue may be laid in Issaquah, and/or King County, Washington, in the case of any action, suit or proceeding arising out of this lease, and concedes that it, and each of them, transacted business in said state by entering into this lease.

**23. EXPENSE OF ENFORCEMENT.** If enforcement or collection action is taken by Lessor to enforce any term of this Lease, the prevailing party in any such action shall be entitled to a reasonable attorney fee, including attorney fees incurred at trial, on appeal and review, or incurred without success, suits, or proceedings, together with all costs and expenses incurred in pursuit thereof.

**24. REPRESENTATIONS OF LESSEE.** Lessee hereby represents and warrants to Lessor and its successors and assigns that (a) if Lessee is a corporation, (i) Lessee has all requisite power and authority to execute this Lease and to perform its obligations hereunder, (ii) the execution of this Lease and the performance of Lessee's obligations hereunder have been duly authorized by all requisite action of the Lessee and (iii) this Lease has been properly executed by a duly authorized representative of the Lessee, (b) this Lease is a valid and binding obligation of the Lessee and (c) the Equipment will be used for business or commercial purposes and not for personal, family or household purposes.

If Lessor supplies Lessee with labels indicating that the Equipment is owned by Lessee, Lessee shall affix such labels and keep them in a prominent place on the Equipment.

**25. SPECIAL POWER OF ATTORNEY.** Lessor is hereby authorized by Lessee, at Lessee's expense, to cause this Lease, or any amendment or other instrument in respect of this Lease showing the interest of Lessor in the Equipment, including Uniform Commercial Code Financing Statements, to be filed or recorded and refiled and re-recorded and grant to Lessor the right to execute Lessee's name thereto. Lessee agrees to execute and deliver any statement or instrument requested by Lessor for such purpose and agree to pay or reimburse Lessor its reasonable expenses for any searches, filings, recordings or stamp fees or taxes arising from the filing or recording of any such instrument or statement. However, no filing of a financing statement shall be deemed evidence of any intention to create a security interest under the Uniform Commercial Code, if being the intention of the parties hereto that this Lease be construed as a lease and not as a security agreement.

**26. FINANCIAL STATEMENT.** The Lessor may require from time to time, and Lessee agrees to furnish, statements setting forth the current financial condition and operations of Lessee.

**27. ENTIRE AGREEMENT; WAIVER.** This instrument constitutes the entire agreement between Lessor and Lessee. Except as provided in Paragraph 6 hereof, no provision of this Lease shall be modified unless in writing signed by an authorized representative of Lessee. Waiver by Lessor of any provision hereof in one instance shall not constitute a waiver as to any other instance. It is further agreed that the rights and remedies of the parties are governed by this Agreement and Lessee waives any and all rights and remedies granted by Sections 2A-506 through 2A-522 of the Uniform Commercial Code.

 Initial Here: \_\_\_\_\_

Lease #: 27171-36494

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

**UNCONDITIONAL GUARANTY OF LEASE**

In consideration of the making of the above lease agreement by lessor with lessee, at the request of the undersigned and in reliance on this guaranty, the undersigned (if more than one, then jointly and severally) as a direct and primary obligation, guarantees to lessor and any assignees of lessor (hereinafter called "holder") the prompt payment of all rent to be paid by the lessee and the performance by the lessee of all terms, conditions, covenants and agreements of lessee, irrespective of any invalidity or unenforceability thereof or the security therefore. The undersigned promises to pay all of the holder's expenses, including attorneys' fees and costs incurred by or in enforcing this guaranty. The undersigned waive notice of acceptance hereof, presentment, demand, protest, notice of protest or any defaults and consents that the holder may, without affecting the obligation hereunder, grant the lessee any extension or indulgence under the lease, and may proceed directly against the undersigned without first proceeding against lessee or liquidating or otherwise disposing of any security afforded holder under the lease. Accounts settled or stated between holder and lessee shall bind the undersigned. This guaranty agreement shall be governed by and constructed in accordance with the laws of the State of Washington. Guarantors hereby consent and submit to the jurisdiction of the respective courts of Issaquah, and/or King County, State of Washington for purposes of enforcement of the guaranty agreement.

Any married person who signs this guaranty agrees that recourse may be had against his or her separate property for all his or her obligations hereunder and against community property as allowed by the community property laws of the State of Washington.

This guaranty shall bind the respective heirs, administrators, representatives, successors and assigns of the undersigned.

X \_\_\_\_\_, Individually X \_\_\_\_\_, Individually  
**FRANK MILLER** **SHERI MILLER**  
X \_\_\_\_\_, Individually X \_\_\_\_\_, Individually

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

Lease #: 27171-36494

**LESSEE'S ACCEPTANCE OF PROPERTY**

We hereby acknowledge that on the date indicated below the equipment described in the Equipment Lease referred to above has been received in good condition and repair, has been properly installed, and is operating satisfactorily. We hereby accept said equipment as satisfactory in all respects for the purpose of said Lease.

We will make all payments to Lessor or their order. We agree that any rights we may have against the supplier or manufacturer of said equipment will not be asserted as an abatement, set-off, counterclaim, defense or any deduction whatsoever against Lessor.

We confirm that Puget Sound Leasing Co., Inc. has made no warranty or representation, express or implied, of merchantability, fitness for a particular purpose, design, condition, workmanship or otherwise of the equipment, and accept said equipment as is, where is.

By signature below I authorize Puget Sound Leasing Co., Inc. to make payment to the supplier of the equipment described in the above referenced Equipment Lease. Lessee agrees that said equipment has not been delivered to the undersigned, installed, or accepted on trial basis.

Date of Acceptance: \_\_\_\_\_ Lessee: **AQUA PURE WATER INC.**  
**dba GLACIER PURE DRINKING WATER**

**BY: X** \_\_\_\_\_ **PRESIDENT**  
Signature **FRANK MILLER** Title

**BY: X** \_\_\_\_\_  
Signature Title

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

**EXHIBIT "A"**

**Vendor** Webber Automation Inc.  
1800 Commerce Street, Unit E  
Corona, CA

**Lease #:** 27171-36404

**Equipment Description: WATER BOTTLING EQUIPMENT**

Quantity	Description	Serial Number(s)
1	Electrical Sub Panels for RO, Pumps, Ozone & WRX 200 Interconnecting plumbing & piping	
2	WTPOL-2500 Tank	
2	WSP-3030 Delivery Pumps Product Tank & Delivery	
1	WRX 200 Automatic Bottling Machine of the new Millenium	

This exhibit "A" is attached to and made a part of the equipment lease and constitutes a true and accurate description of the equipment.

**Lessee: AQUA PURE WATER INC.**  
**dba GLACIER PURE DRINKING WATER**

 **By:** FRANK MILLER

**Title:** PRESIDENT

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

Lease #: 27171-36494

**CORPORATE RESOLUTION FOR LEASING  
AND OTHERWISE DEALING WITH  
PUGET SOUND LEASING CO., INC.**

Resolution of AQUA PURE WATER INC.

RESOLVED that

1	_____	2	_____
	Name		Name
	Title		Title

whose signatures appear below, or any ONE of them, hereby authorized,  
(number of signatures required)

for and on behalf of this corporation and in its name to execute Lease Agreements and related documents with Puget Sound Leasing Co., Inc. (Lessor) on such terms as may be agreed to by said persons, including any notes or other evidences of indebtedness as may be requested by the Lessor.

Said firm is authorized to act upon this resolution until written notice of its revocation is delivered to said firm.

Authorized Signatures

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

I SHERI MILLER Secretary of AQUA PURE WATER INC.

a California Corporation, do hereby certify that the resolution appearing above is a full, true and correct copy of a resolution of the Board of Directors of said corporation duly and regularly passed and adopted at a meeting of the Board of Directors of said corporation which was duly and regularly called and held in all respects as required by law and by the bylaws of said corporation on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and that the signatures appearing on the abovementioned copy of said resolutions are the genuine signatures of the persons mentioned in said resolution and authorized to act on behalf of said corporation as set forth in said resolution.

I further certify that said resolution has not been amended or revoked and is still in full force and effect.

In witness whereof, I have hereunto set my hand as such Secretary and affix the corporate seal, if applicable, of said corporation this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FRANK MILLER  
President **FRANK MILLER**

SHERI MILLER  
Secretary **SHERI MILLER**



Lease #: 27171-36494

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

**RIDER**

Rider attached to and made a part of that Equipment Lease between Lessor and Lessee. The provisions of the aforementioned printed Lease notwithstanding, Lessor and Lessee mutually agree that:

At the expiry of the original term of the Lease, the undersigned, as Lessee, guarantees to purchase from the Lessor or its assigns all of the leased equipment for an amount equal to \$1.00 plus any applicable taxes.

If the undersigned as Lessee shall default as outlined under Section 19 of the lease, this Purchase Agreement will be null and void and any option to purchase, if offered by the Lessor, will be based on the Fair Market Value of the equipment.

If, prior to the expiry of the original term of the Lease, the undersigned as Lessee shall default, such purchase price shall also be included in any other amount owed by Lessee pursuant to Section 20 of the Lease.

**Jurisdiction/Venue.** This lease shall not be fully executed and effective until signed by Lessor at its principal place of business in Issaquah, King County, Washington, and shall be interpreted in accordance with the laws of the State of Washington. Lessee agrees and consents to jurisdiction in the district or superior courts in Issaquah, and/or King County, Washington. Lessee agrees that venue may be laid in Issaquah, and/or King County, Washington, in the case of any action, suit or proceeding arising out of this lease, and concedes that it, and each of them, transacted business in said state by entering into this lease.

**Lessor**

**Puget Sound Leasing Co., Inc.**

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

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**Lessee**

**AQUA PURE WATER INC.  
dba GLACIER PURE DRINKING WATER**




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

**FRANK MILLER**

Title: **PRESIDENT**

Dated: \_\_\_\_\_

 <b>Puget Sound Leasing Co., Inc.</b> PO Box 1295 Issaquah, WA 98027	<b>LEASE NO.</b>
	27171-38404

**REQUEST TO PROVIDE INSURANCE INFORMATION**

**Lessee: AQUA PURE WATER INC.  
DBA GLACIER PURE DRINKING WATER**

**Date: 07/06/07**

Dear Customer:

In accordance with your lease agreement, we must have evidence that the equipment is insured. Please provide an insurance policy listing **Puget Sound Leasing Co., Inc.** as loss payee.

Should you fail to provide satisfactory evidence within 15 days of this date, the lease agreement authorizes us to obtain property insurance to protect our interest in the leased property. The lease agreement also provides that you will reimburse us for the costs incurred in obtaining and maintaining such insurance.

The insurance policy issued to us is specifically designed for leased equipment and is underwritten by the Scottsdale Insurance Company. The coverage provided is only for replacement of the equipment and covers all direct physical loss resulting from any external cause of loss, unless otherwise excluded in the policy.

**No liability insurance is provided.**

By providing this additional service, Puget Sound Leasing will prevent your company from experiencing loss of equipment with a continuing lease obligation due to unforeseen circumstances.

Sincerely yours,

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

Lease #: 27171-36494

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

**COPY OF DRIVER'S LICENSE**  
**For FRANK MILLER**

Please provide the information below from your current driver's license and make a photocopy onto the space below.

Name: \_\_\_\_\_

State: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

License #: \_\_\_\_\_

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

Please make a photocopy of driver's license with legible signature onto this document.

Lease #: 27171-36494

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

**COPY OF DRIVER'S LICENSE**

**For SHERI MILLER**

Please provide the information below from your current driver's license and make a photocopy onto the space below.

Name: \_\_\_\_\_

State: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

License #: \_\_\_\_\_

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

Please make a photocopy of driver's license with legible signature onto this document.

Puget Sound Leasing Co., Inc.  
PO BOX 1295  
ISSAQUAH, WA 98027

TELEPHONE  
(425) 392-6402 or 800-325-3273  
FAX  
(425) 392-6427 or 888-745-3273

### LEASE APPLICATION

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BUSINESS NAME <b>AQUA PURE WATER INC.</b>		BUSINESS DOA <b>dba GLACIER PURE DRINKING WATER</b>		DATE
BUSINESS ADDRESS <b>2906 RUBIDOUX BLVD. SUITE E</b>		CITY <b>RIVERSIDE</b>	STATE COUNTY <b>CA</b>	ZIP CODE <b>92509</b>
NATURE OF BUSINESS		BUSINESS TYPE <b>Corperation</b>	BUSINESS STARTED	CURRENT OWNERSHIP
CONTACT <b>FRANK MILLER</b>		EMAIL ADDRESS		CELL PHONE
INSURANCE AGENCY		CONTACT NAME	PHONE	EQUIPMENT LOCATION: <b>2906 RUBIDOUX BLVD. SUITE E COUNTY: RIVERSID RIVERSIDE, CA 92509</b>

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EQUIPMENT VENDOR/SUPPLIER	CONTACT		EQUIPMENT COST <b>\$74,417.54</b>
ADDRESS	TELEPHONE	FAX	LEASE TERMS <b>Monthly</b>
TYPE OF EQUIPMENT <b>WATER BOTTLING EQUIPMENT</b>			NEW <input checked="" type="checkbox"/> USED <input type="checkbox"/>

Applicant - Lessee authorizes Lessor to obtain such information as may be required concerning the above statements within the framework of the Fair Credit Reporting Act and warrants that the credit information and all financial statements submitted to Lessor are true correct and complete. Applicant understands that Lessor is relying on this lease application and financial statements submitted by applicant in making its decision whether to enter into a lease agreement. Applicant agrees to inform the Lessor immediately of any matter that will cause any significant change in Applicant's financial condition. Applicant agrees that the application and other information submitted remain the property of the Lessor whether or not the Lease is granted. LESSEE HEREBY AUTHORIZES LESSOR OR ITS ASSIGNS TO INQUIRE, INVESTIGATE OR CONFIRM ANY OF THE ABOVE INFORMATION OR STATEMENTS. THIS APPLICATION DOES NOT OBLIGATE THE LESSOR TO ENTER INTO A LEASE AGREEMENT. LESSOR: PUGET SOUND LEASING CO., INC.

By: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Lease #: 27171-36494

**CORPORATE RESOLUTION FOR LEASING  
AND OTHERWISE DEALING WITH  
PUGET SOUND LEASING CO., INC.**

Resolution of AQUA PURE WATER INC.

RESOLVED that

1 \_\_\_\_\_ 2 \_\_\_\_\_  
Name Title Name Title

whose signatures appear below, or any ONE of them, hereby authorized,  
(number of signatures required)

for and on behalf of this corporation and in its name to execute Lease Agreements and related documents with Puget Sound Leasing Co., Inc. (Lessor) on such terms as may be agreed to by said persons, including any notes or other evidences of indebtedness as may be requested by the Lessor.

Said firm is authorized to act upon this resolution until written notice of its revocation is delivered to said firm.

Authorized Signatures

① \_\_\_\_\_ ② \_\_\_\_\_  
3. \_\_\_\_\_ 4. \_\_\_\_\_

I SHERI MILLER Secretary of AQUA PURE WATER INC.

a California Corporation, do hereby certify that the resolution appearing above is a full, true and correct copy of a resolution of the Board of Directors of said corporation duly and regularly passed and adopted at a meeting of the Board of Directors of said corporation which was duly and regularly called and held in all respects as required by law and by the bylaws of said corporation on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and that the signatures appearing on the abovementioned copy of said resolutions are the genuine signatures of the persons mentioned in said resolution and authorized to act on behalf of said corporation as set forth in said resolution.

I further certify that said resolution has not been amended or revoked and is still in full force and effect.

In witness whereof, I have hereunto set my hand as such Secretary and affix the corporate seal, if applicable, of said corporation this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Ⓢ \_\_\_\_\_ Ⓢ \_\_\_\_\_  
President **FRANK MILLER** Secretary **SHERI MILLER**

Lease #: 27171-36494

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

**RIDER**

Rider attached to and made a part of that Equipment Lease between Lessor and Lessee. The provisions of the aforementioned printed Lease notwithstanding, Lessor and Lessee mutually agree that:

At the expiry of the original term of the Lease, the undersigned, as Lessee, guarantees to purchase from the Lessor or its assigns all of the leased equipment for an amount equal to \$1.00 plus any applicable taxes.

If the undersigned as Lessee shall default as outlined under Section 19 of the lease, this Purchase Agreement will be null and void and any option to purchase, if offered by the Lessor, will be based on the Fair Market Value of the equipment.

If, prior to the expiry of the original term of the Lease, the undersigned as Lessee shall default, such purchase price shall also be included in any other amount owed by Lessee pursuant to Section 20 of the Lease.

**Jurisdiction/Venue.** This lease shall not be fully executed and effective until signed by Lessor at its principal place of business in Issaquah, King County, Washington, and shall be interpreted in accordance with the laws of the State of Washington. Lessee agrees and consents to jurisdiction in the district or superior courts in Issaquah, and/or King County, Washington. Lessee agrees that venue may be laid in Issaquah, and/or King County, Washington, in the case of any action, suit or proceeding arising out of this lease, and concedes that it, and each of them, transacted business in said state by entering into this lease.

Lessor  
Puget Sound Leasing Co., Inc.

Lessee  
AQUA PURE WATER INC.  
dba GLACIER PURE DRINKING WATER

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

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

FRANK MILLER

Title: \_\_\_\_\_

Title: PRESIDENT

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_



**Puget Sound Leasing Co., Inc.**  
PO Box 1295  
Issaquah, WA 98027

<b>LEASE NO.</b>
27171-38494

**REQUEST TO PROVIDE INSURANCE INFORMATION**

**Lessee: AQUA PURE WATER INC.**  
**DBA GLACIER PURE DRINKING WATER**

**Date: 07/06/07**

Dear Customer:

In accordance with your lease agreement, we must have evidence that the equipment is insured. Please provide an insurance policy listing **Puget Sound Leasing Co., Inc. as loss payee.**

Should you fail to provide satisfactory evidence within 15 days of this date, the lease agreement authorizes us to obtain property insurance to protect our interest in the leased property. The lease agreement also provides that you will reimburse us for the costs incurred in obtaining and maintaining such insurance.

The insurance policy issued to us is specifically designed for leased equipment and is underwritten by the Scottsdale Insurance Company. The coverage provided is only for replacement of the equipment and covers all direct physical loss resulting from any external cause of loss, unless otherwise excluded in the policy.

**No liability insurance is provided.**

By providing this additional service, Puget Sound Leasing will prevent your company from experiencing loss of equipment with a continuing lease obligation due to unforeseen circumstances.

Sincerely yours,

**Puget Sound Leasing Co., Inc.**  
**PO Box 1295**  
**Issaquah, WA 98027**



Lease #: 27171-36494

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

**COPY OF DRIVER'S LICENSE**  
**For FRANK MILLER**

Please provide the information below from your current driver's license and make a photocopy onto the space below.

Name: \_\_\_\_\_  
State: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
License #: \_\_\_\_\_  
Expiration Date: \_\_\_\_\_

Please make a photocopy of driver's license with legible signature onto this document.

Lease #: 27171-36494

Puget Sound Leasing Co., Inc.  
PO Box 1295  
Issaquah, WA 98027

**COPY OF DRIVER'S LICENSE**

**For SHERI MILLER**

Please provide the information below from your current driver's license and make a photocopy onto the space below.

Name: \_\_\_\_\_

State: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

License #: \_\_\_\_\_

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

Please make a photocopy of driver's license with legible signature onto this document.

07/18/2007 02:58 17075790756

PRODUCTION FINANCE

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**Puget Sound Leasing Co., Inc.**  
 PO BOX 1295  
 ISSAQUAH, WA 98027

TELEPHONE  
 (425) 392-6402 or 800-325-3273  
 FAX  
 (425) 392-6427 or 888-745-3273

**LEASE APPLICATION**

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BUSINESS NAME <b>AQUA PURE WATER INC.</b>		BUSINESS DBA <b>dba GLACIER PURE DRINKING WATER</b>			DATE
BUSINESS ADDRESS <b>2906 RUBIDOUX BLVD. SUITE E</b>		CITY <b>RIVERSIDE</b>	STATE <b>CA</b>	COUNTY <b>92509</b>	ZIP CODE <b>92509</b>
NATURE OF BUSINESS		BUSINESS TYPE <b>Corporation</b>	BUSINESS STARTED	CURRENT OWNERSHIP	
CONTACT <b>FRANK MILLER</b>		EMAIL ADDRESS		CELL PHONE	FAX NUMBER
INSURANCE AGENCY	CONTACT NAME	PHONE	EQUIPMENT LOCATION: <b>2906 RUBIDOUX BLVD. SUITE E</b> COUNTY: <b>RIVERSID RIVERSIDE, CA 92509</b>		

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EQUIPMENT VENDOR/SUPPLIER	CONTACT		EQUIPMENT COST <b>\$74,417.84</b>
ADDRESS	TELEPHONE	FAX	LEASE TERMS <b>Monthly</b>
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By: \_\_\_\_\_ Title: \_\_\_\_\_  
 Date: \_\_\_\_\_