EQUIPMENT LEASING AND FINANCE ASSOCIATION

Small Changes, Big Consequences



Panelists

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Lessee represents and warrants that the equipment will be used for business purposes only.



Lessee understands and agrees that neither supplier nor any salesperson or other agent or employee of supplier is an agent of lessor or has any authority to speak for or to bind lessor in any way. Lessor is not an agent or representative of supplier.



Any of the following constitute a Default: (a) Lessee fails to perform or observe any other representation, warranty, covenant, condition or agreement under any lease or any other agreement with Lessor and fails to cure such breach within 10 days after notice.



Lessee shall maintain (i) property insurance insuring the Equipment for its full replacement value against loss, theft, damage and destruction and naming Lessor as loss payee; and (ii) general public liability and third party property insurance naming Lessor as an additional insured.



LESSOR MAY, WITHOUT NOTICE, SELL TRANSFER OR ASSIGN ITS INTEREST IN THIS LEASE, THE EQUIPMENT OR ANY LEASE PAYMENTS OR OTHER SUMS DUE HEREUNDER. If Lessor makes any such assignment or transfer, the new owner will have all of Lessor's right and benefits but none of Lessor's obligations. The rights of the new owner will not be subject to any claims, defenses, or set-offs that Lessee may have against Lessor. Lessee acknowledges that any assignment or transfer by Lessor shall not materially change Lessee's duties or obligations under this Lease nor materially increase the burdens or risks imposed on Lessee.





Any of the following constitute a Default: ... (b) Lessee's financial condition changes such that in Lessor's opinion, the credit risk of a lease transaction with Lessee is increased.





Each lease automatically renews for additional 12 month terms unless Lessee, at least 60 days before the end of the Term, sends Lessor written notice that it does not want to renew it, and at the end of the Term returns the Equipment to Lessor as provided in paragraph __above. Lessor may cancel the automatic renewal term by, at least 15 days before the end of any term, sending the Lessee written notice that Lessor does not want the lease to renew.



THIS LEASE AND ALL SCHEDULES HERETO SHALL BE NON CANCELLABLE NET LEASES. LESSEE HAS AN UNCONDITIONAL OBLIGATION TO PAY ALL LEASE PAYMENTS AND OTHER AMOUNTS WHEN DUE. LESSEE IS NOT ENTITLED TO ABATEMENTS, REDUCTIONS, RECOUPMENTS, CROSS-CLAIMS, COUNTERCLAIMS OR ANY OTHER DEFENSES TO ANY LEASE PAYMENTS OR OTHER AMOUTNS DUE HEREUNDER, WHETHER THOSE DEFENSES ARISE OUT OF CLAIMS BY LESSEE AGAINST LESSOR, LESSOR'S ASSIGNEE, SUPPLIER, THIS LEASE, ANY SCHEDULE, ANY OTHER LEASE, OR OTHERWISE. NEITHER DEFECTS IN EQUIPMENT, DAMAGE TO IT, NOR ITS LOSS, THEFT, DESTRUCTION OR LATE DELIVERY SHALL TERMINATE THIS OR ANY OTHER LEASE, OR RELIEVE LESSEE OF ITS PAYMENT OBLIGATIONS HEREUNDER.





The parties agree that if Article 2A -Leases of the Uniform Commercial Code ("Code")- is deemed to apply, each lease will be considered a "finance lease." By executing a lease, Lessee acknowledges either that (a) Lessor has informed or advised Lessee, in writing, either previously or by this Lease of (i) the identity of the "supplier"; (ii) that Lessee may have rights under the "supply contract"; and (iii) that Lessee may contact the supplier for a description of any such rights Lessee may have under the supply contract; or (b) on or before signing such lease, Lessee has reviewed and approved the supply contract covering the Equipment purchased from the supplier. Terms in this paragraph set off in quotation marks when used for the first time herein shall have the meanings ascribed to such terms by the Code. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE WAIVES ANY AND ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE CODE.





Lessee has no right to sell, transfer, assign or sublease any interest it has in this lease or the equipment.



Lessee agrees to all terms and conditions of the Lease, that they are a complete and exclusive statement of its agreement with Lessor and that they may be modified only by written agreement signed by an executive officer of Lessor.





Lessee shall indemnify, hold harmless and if Lessor requests, defend Lessor against all Claims directly or indirectly arising out of or connected with the Equipment, any lease or related document or instrument.

