

PIRANHA RENTAL AGREEMENT

Mega Manufacturing, Inc. ("Mega") agrees to rent the Equipment described below to Customer, and Customer agrees to rent the Equipment described below from Mega, on the terms and conditions set out below and on the attached pages.

CUSTOMER

Name: _____

a _____,
(state of organization) (type of entity)

Address: _____

Phone: _____ Fax: _____

Email: _____

EQUIPMENT LOCATION

Address: _____

Contact at location: _____

DESCRIPTION OF EQUIPMENT RENTED

Make/Model: _____

Serial Number: _____

RENT: \$ _____ per month

COMMENCEMENT DATE: _____, 20 _____

INITIAL TERM: Three months commencing on the Commencement Date. Subject to automatic continuation as set out herein, up to a maximum of six months..

RENT DUE DATE: The monthly anniversary of the Commencement Date.

OPTION TO PURCHASE EQUIPMENT: Customer has the option to purchase the Equipment for \$ _____ on the terms set out herein. 90% of rent timely paid hereunder by Customer (but not late charges or other costs incurred by Mega and owed by Customer hereunder) shall be credited against the purchase price. See attached terms and conditions for more detail.

FREIGHT: The Equipment is rented to Customer "ex works" Mega's plant in Rockford, Illinois. All freight is at Customer's cost.

WARRANTY OF MATERIALS AND WORKMANSHIP. Mega warrants all Equipment provided by it against defects in materials and workmanship under this Agreement for 12 months from date of delivery, and will repair or replace ex works Mega's plant the Equipment Mega finds defective. This warranty does not include the cost of labor to remove or re-install any defective Equipment, nor does it include cost of handling, shipping or transportation involved in supplying replacements for defective Equipment. No liability attaches to Mega until all payments required by Customer hereunder have been made, and then the liability is limited to the cost of repairing or replacing the defective Equipment. Any defect due to or connected with any of the following is not covered by this warranty: (1) products or materials or design provided by Customer or on behalf of Customer; (2) negligence or other improper acts or omissions of Customer, its employees or agents, or third parties; (3) spare parts other than original spare parts supplied by Mega are used; (4) improper installation or alterations are made without Mega's consent in writing; (5) failure of Customer to follow Mega's design, operation or installation recommendations. In particular, any defects that are caused by or connected with normal wear and tear or with any use, maintenance, service or operation of the Equipment or any part of the Equipment which is not in conformance with Mega's manuals, instructions or specifications are not covered by this warranty. All warranty claims must be reported to and work must be completed by Mega before warranty expires. **THE WARRANTIES SET FORTH ABOVE ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR ANY WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE OR BY ANY DESCRIPTION OF THE EQUIPMENT AND ANY OTHER WARRANTIES WHATSOEVER CONTAINED IN OR CREATED BY THE UNIFORM COMMERCIAL CODE OR SIMILAR LAW AS ADOPTED IN THE STATE OF ILLINOIS. THE WARRANTY SET FORTH ABOVE IS CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR A DEFECT IN THE EQUIPMENT.**

ENTIRE AGREEMENT. THE PIRANHA RENTAL AGREEMENT TERMS AND CONDITIONS SET OUT ON THE ATTACHED PAGES ARE FULLY INTEGRATED INTO THIS AGREEMENT BY REFERENCE HERETO AND ARE A PART OF THIS AGREEMENT. THIS AGREEMENT, INCLUDING THE ATTACHED PIRANHA RENTAL AGREEMENT TERMS AND CONDITIONS, CONSTITUTES THE ENTIRE AGREEMENT BETWEEN MEGA AND CUSTOMER. NO PRIOR UNDERSTANDING, AGREEMENTS OR REPRESENTATIONS, WRITTEN OR VERBAL, EXPRESS OR IMPLIED, ARE A PART OF THIS AGREEMENT. NO SUBSEQUENT MODIFICATION, AGREEMENT OR REPRESENTATION IS A PART OF THIS AGREEMENT UNLESS EXPRESSLY AGREED TO IN WRITING BY MEGA'S AUTHORIZED REPRESENTATIVE.

CUSTOMER HAS READ AND AGREES TO THE ABOVE CONDITIONS AND THOSE ADDITIONAL TERMS CONTAINED IN THE TERMS AND CONDITIONS ATTACHED HERETO. CUSTOMER AND MEGA SIGN THIS AGREEMENT INTENDING TO BE LEGALLY BOUND.

CUSTOMER

Signature: _____

Name: _____

Title: _____

Date: _____

MEGA MANUFACTURING, INC.

Signature: _____

Name: _____

Title: _____

Date: _____

NOTE: EQUIPMENT SHIPS WITHOUT PUNCHES AND DIES. THESE MUST BE PURCHASED SEPARATELY, AND WILL BECOME PROPERTY OF THE CUSTOMER. ONLY GENUINE PIRANHA TOOLING MUST BE PURCHASED DURING THE RENTAL PERIOD.

PIRANHA RENTAL AGREEMENT TERMS AND CONDITIONS

1. **TERM.** The initial term of this Agreement shall begin on the commencement date as set out on page 1 of this Agreement (“Commencement Date”) and shall continue for three full months from such Commencement Date (the “Initial Term”). After the expiration of the Initial Term, this Agreement shall automatically renew for successive monthly periods to a maximum of six months, unless timely terminated pursuant to the terms hereof. Maximum rental period may be extended only with the mutual agreement of both parties.
2. **RENT; OPTION TO PURCHASE; RENTAL CREDIT.** Rent shall be due on the Commencement Date and rent for subsequent months shall be due on each monthly anniversary of the Commencement Date. If any payment required hereunder is not made within three days of its due date, Mega may charge interest on such unpaid amount from the original due date at a rate equal to the lesser of (1) 18% per annum, or (2) the maximum rate permitted by applicable law. Provided Customer is not in default hereunder, Customer may purchase the Equipment at any time during the term of this Agreement at the purchase price as set forth on page 1 hereof (the “Purchase Price”) by executing a purchase agreement with Mega. 90% of all amounts paid as Rent hereunder shall be credited against the Purchase Price in favor of Customer. Upon Customer’s purchase of the Equipment, this Agreement shall terminate.
3. **USE OF THE EQUIPMENT.** Customer agrees to use the Equipment only at the specified location. Customer acknowledges receipt of all manufacturers’ operation manuals pertaining to the Equipment and agrees to thoroughly review the manuals prior to operating the Equipment. Customer is solely responsible to advise any persons operating the Equipment or in the vicinity of the Equipment of all safety operating procedures and safety precautions. Customer assumes all responsibility to ensure that all operators are properly trained and competent and use the Equipment in compliance with the operating instructions and all applicable safety standards and procedures. Customer knows and will instruct all operators as to the limitations of the Equipment, and Customer agrees that the Equipment will be used only for its designated purposes within its specified performance capabilities. Customer shall at Customer’s sole expense comply with all Federal, State and Local laws, regulations, and ordinances, relating to the use of the Equipment while it is rented to Customer, including without limitation the regulations of the Occupational Safety and Health Administration (OSHA).
4. **TITLE.** Title to the Equipment and all its accessories shall remain exclusively with Mega during the life of this Agreement. All Equipment shall remain personal property and shall not be attached to or become part of any realty so as to become a fixture. Customer shall not sell, assign, transfer, sublet, loan or encumber the Equipment or permit any liens or charges to become effective thereon. Customer agrees, at Customer’s own expense, to take such action as may be necessary (a) to remove any such purported encumbrance, lien or charge and (b) to prevent any third party from acquiring any interest in any Equipment.
5. **FILINGS.** Mega may elect to file a financing statement for informational purpose to provide notice of its ownership of the Equipment. Customer hereby authorizes Mega to file financing statements (and amendments and continuation statements) or other informational filings or notices relating to the Equipment without Customer’s signature thereon as Mega may deem appropriate, and Customer appoints Mega as Customer’s attorney-in-fact to execute any such financing statements, notices, amendments or continuation statements in Customer’s name (including electronic filing or execution) and to perform all other acts which Mega deems appropriate to give notice of its ownership of the Equipment and of this rental agreement and to protect, preserve, and realize upon the Equipment, which power is coupled with an interest and is delegable by Mega. Customer also authorizes Mega to file a copy of this Agreement in substitution for a financing statement.
6. **CUSTOMER WARRANTIES.** Customer represents and warrants to Mega that (a) Customer has the power to make, deliver, and perform under this Agreement, (b) the person executing this Agreement is authorized to do so on behalf of Customer, (c) this Agreement constitutes a valid obligation of Customer, legally binding upon it and enforceable in accordance with its terms; (d) all credit, financial, and other information submitted to Mega in connection with this Agreement is true, correct, and complete; (e) Customer’s name set forth on the front of this Agreement is Customer’s full, legal name; and (f) the Equipment is and shall remain located at the address set forth on the front of this Agreement.
7. **TAXES.** All prices in this Agreement are exclusive of any applicable fees, duties and taxes. The amount of any present or future property, occupation, sales, use, privilege, service, excise, federal, state, local, foreign or other similar tax for which Mega is liable, either on its own behalf or on behalf of the Customer, with respect to the Equipment, is in addition to the amounts quoted and shall be paid by Customer.
8. **LIMITATION OF LIABILITY.** All claims, causes of action or legal proceedings against Mega arising from Mega’s performance under this Agreement must be commenced by Customer within the express warranty period specified on page 1 above. Failure to commence any claim, cause of action or legal proceeding within this period constitutes a voluntary and knowing waiver of the claim, cause of action or legal proceeding by Customer. **MEGA’S LIABILITY FOR DIRECT OR COMPENSATORY DAMAGES MAY NEVER EXCEED THE TOTAL AMOUNT OF RENT PAID BY CUSTOMER HEREUNDER, NOR IS MEGA LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES. THESE LIMITATIONS ON LIABILITIES APPLY UNDER ALL THEORIES OR LIABILITY OR CAUSES OF ACTION, INCLUDING CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE) OR STRICT LIABILITY.**
9. **MAINTENANCE AND REPAIR; LOSS OR DAMAGE** All labor and material for normal operation and maintenance as specified in the operation and maintenance manual for the Equipment shall be the responsibility of Customer and Rent shall not abate because of the need for such maintenance. Customer shall bear the entire risk of loss, theft, destruction or damage of the Equipment or any item thereof resulting from any cause whatsoever (herein "Loss or Damage"). In the event of Loss or Damage, Customer, at the option of Mega, shall: (a) place the Equipment in Surrender Condition (as defined in Section 14), or (b) pay to Mega the total of the following amounts: (i) the total Rent due and owing at the time of such payment, plus (ii) the fair market value of the Equipment in Surrender Condition as of the date immediately preceding Loss or Damage. Upon Mega's receipt of such payment, Customer and/or Customer's insured shall be entitled to Mega's interest in the Equipment, for salvage purposes, in its then condition and location, as is, without warranty, express or implied, except as to title by, through and under Mega, but not otherwise. Customer's obligations and liabilities under this Section 9 shall survive expiration or termination of this Agreement.
10. **INDEMNITY.** Customer hereby assumes liability for and agrees to indemnify, defend, and hold harmless Mega, its affiliates, agents, partners and employees and any successors and assignees of Mega, from and against any and all liabilities, losses, damages, penalties, claims, suits, costs, and expenses of every nature whatsoever, including court costs and attorney's fees (whether or not also indemnified against by any other person) arising out of or pertaining to this Agreement or the rental, possession, use, operation, condition, return or other disposition of the Equipment by Customer or any injury or death of any person or damage or injury to the person or property of any person arising on account of or any way related to the use, possession, leasing, maintenance, condition, repair or operation of the Equipment during the term of this Agreement. Customer agrees to promptly give Mega notice of any matter hereby indemnified against upon learning thereof. Customer’s obligations under this Section 10 shall survive termination of this Agreement.
11. **DEFAULT.** The term “Event of Default”, wherever used herein, shall mean any of the following events under this Agreement (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or come about or be affected by operation of law, or be pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body): (a) Customer shall fail to make any

payment of Rent, or any other payment due hereunder, within five (5) business days after such payment shall become due; (b) Customer shall use or permit the Equipment to be used for any criminal or unlawful purpose; (c) Customer shall fail to perform or observe any other covenant, condition, warranty or agreement to be performed or observed by it under this Agreement or any agreement, document or certificate delivered by Customer in connection herewith, and such failure shall continue for ten (10) days after written notice thereof from Mega to Customer; (d) Any representation or warranty made by Customer in this Agreement or any agreement, document or certificate delivered by Customer in connection herewith or pursuant hereto shall prove to be untrue or incorrect in any material respect; (e) Customer shall, or shall attempt to, make any unauthorized assignment or transfer of this Agreement; (f) If there shall occur, in the judgment of Mega, any material adverse change in the financial condition, business, operations or prospects of Customer, including but not limited to, Customer becoming insolvent or suspending or abandoning the transaction of its usual business; (g) Customer shall file for bankruptcy or make an assignment for the benefit of creditors of Customer or consent to the appointment of a trustee or receiver in respect of any assets of Customer; or (h) Bankruptcy, arrangement, reorganization or insolvency proceedings with respect to Customer shall be instituted by or against Customer and, if instituted against Customer, shall not be dismissed within sixty (60) days.

12. **REMEDIES ON DEFAULT.** Upon the occurrence of any Event of Default, Mega may, with or without notice to Customer, exercise any remedy provided by law or any one or more of the following remedies, as Mega in its sole discretion shall elect and such remedies shall be cumulative; (a) Require Customer, at Customer's expense, to return the Equipment, or Mega, at its option, may enter on to Customer's premises and repossess and remove the Equipment, or render the Equipment unusable without removal, and Mega shall not be deemed to have committed a trespass by so doing; (b) Declare immediately due and payable all Rents and other amounts due or to become due; (c) recover from Customer any amounts necessary to put any Equipment in Surrender Condition, or (d) recover from Customer as damages as may be allowed under the Uniform Commercial Code or any other remedy under other statute or common law. The exercise of the foregoing remedies by Mega shall not constitute a termination of this Agreement unless Mega so notifies Customer in writing. No failure or delay by Mega to exercise any right or remedy hereunder shall operate as a waiver thereof. Additionally, Customer shall be liable for all costs, expenses and damages incurred by Mega by reason of the occurrence of any Event of Default or the exercise of Mega's remedies thereto, including but not limited to, all attorney's fees, expenses and costs and damage or loss due to the exercise of Mega's remedies, including freight to return the Equipment to Mega, and all incidental and consequential damages incurred by Mega.
13. **TERMINATION; SURVIVAL.** Unless otherwise stated herein, this Agreement may be terminated at the end of the Initial Term or any subsequent monthly term by either party, without cause, upon fifteen (15) days prior written notice. Notwithstanding the giving of notice of termination, however, Customer shall be responsible for the payment of full monthly Rent on each Rent Due Date until the Equipment is returned to Mega. Upon termination, Customer shall return the Equipment to Mega, suitably packed or crated, at Customer's expense.
14. **RETURN OF EQUIPMENT.** At the expiration of the term of this Agreement or any other termination of this Agreement, Customer shall, at its own expense, return the Equipment to Mega at such place as Mega shall designate, in the same good working condition as received, reasonable wear and tear excepted ("Surrender Condition"). Within thirty (30) days of the return of the Equipment, Mega or its agent shall inspect the Equipment. If the Equipment is not in Surrender Condition, an independent inspection appraiser shall be appointed by Mega to inspect the Equipment for the purpose of determining the cost of repairs, additions or replacements, if any, which are necessary to place the Equipment in good working condition. If the appraiser determines that the Equipment is in Surrender Condition, the cost of such inspection shall be borne by Mega, and if the appraiser determines that the Equipment is not in Surrender Condition, such inspection cost shall be borne by Customer and Customer shall immediately remit to Mega the cost determined by the appraiser to bring the Equipment back to Surrender Condition. Customer's obligations under this Section 14 shall survive termination of this Agreement.
15. **CUSTOMER WAIVERS.** TO THE EXTENT PERMITTED BY LAW, CUSTOMER HEREBY WAIVES ANY AND ALL RIGHTS AND REMEDIES MADE AVAILABLE TO A CUSTOMER UNDER ARTICLE 2A OF THE UCC. TO THE EXTENT PERMITTED BY APPLICABLE LAW, CUSTOMER ALSO HEREBY WAIVES ANY RIGHTS NOW OR HEREAFTER CONFERRED BY STATUTE OR OTHERWISE WHICH MAY REQUIRE MEGA TO SELL, LEASE OR OTHERWISE USE THE EQUIPMENT TO REDUCE MEGA'S DAMAGES OR WHICH MAY OTHERWISE LIMIT OR MODIFY ANY OF MEGA'S RIGHTS OR REMEDIES AS TO DEFAULTS. MEGA SHALL HAVE ALL REMEDIES PROVIDED FOR IN THIS AGREEMENT AND UNDER ARTICLE 2A OF THE UCC.
16. **FREIGHT CHARGES.** This Agreement is based on Mega providing the Equipment described "ex works" Rockford, Illinois. Customer shall take delivery of the Equipment as soon as it is placed at Customer's disposal at the agreed place. Customer shall pay all export taxes, or other fees or charges, if any, levied for transport of the Equipment. Customer shall bear all costs of and risks to the Equipment from the time the Equipment leaves Mega's factory in Rockford, Illinois.
17. **GOVERNING LAW AND JURISDICTION.** This Agreement shall be construed and enforced in accordance with, and all questions concerning the validity, construction, interpretation and performance of this Agreement shall be governed by, the laws of the state of Illinois without giving effect to provisions thereof regarding conflict of laws. Customer hereby irrevocably submits to the exclusive jurisdiction of the Winnebago County, Illinois District Court in respect of any claim relating to this Agreement, or the Equipment and/or Services, and hereby waives, and agrees not to assert, as a defense in any action, suit or proceedings in which any such claim is made that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such courts, or that the venue thereof may not be appropriate or that this Agreement may not be enforced in or by such courts.
18. **COSTS TO MEGA.** If Mega incurs any costs or expenses in the collection of monies due Mega from Customer, or enforces any of its rights or privileges under this Agreement, Customer, upon demand, shall reimburse Mega for all its costs and expenses (including reasonable attorneys' fees).
19. **CONSUMER LAWS.** The laws of certain jurisdictions may prohibit the limitation of certain warranties and the remedies and damages for the breach of such warranties. If any provision of this Agreement is in conflict with any statute or rule of law of any state or district in which jurisdiction may lie for enforcement, then such provision shall be deemed null and void to the extent, but only to the extent, that it may conflict therewith, and the remaining provisions hereof shall not be invalidated, but may be reformed by the court to the extent necessary to protect the rights of the parties.