



INTREPID CONTROL SYSTEMS

AGREEMENT

This Agreement is made and entered into as of _____ by and between _____ having its place of business at _____ (hereinafter referred to as "COMPANY"), and Intrepid Control Systems, Inc., a Michigan corporation, having its place of business at 31601 Research Park Drive, Madison Heights, MI 48071 (hereinafter referred to as "INTREPID"). The COMPANY agrees to lease/sell Equipment from INTREPID under the following terms:

1. LEASE PERIOD. As used in this agreement, the term "Equipment" shall generally mean _____

_____, (see specific list attached as Addendum A), together with all related cables, accessories, operating manuals and other items provided by INTREPID to COMPANY.

Equipment is rented on a monthly basis with a minimum rental period of 2 months or a minimum rental amount of \$1,000.00, whichever is larger. The rental period shall commence on the date INTREPID ships Equipment to COMPANY, and shall terminate when the leased Equipment is received by INTREPID at the address listed above, or when ownership of the Equipment is transferred to company under the terms of Paragraph 8 herein.

2. RENTAL PAYMENTS. On a monthly basis, COMPANY shall pay INTREPID the sum of 10% of the list price of the Equipment together with all sales and use taxes imposed thereon (hereinafter referred to as "monthly lease fee"). All rates and prices shall be subject to change by INTREPID at any time without notice. INTREPID shall prepare and send monthly invoices to COMPANY at its address listed above. All amounts due hereunder shall be paid by COMPANY within 30 days after the date of the INTREPID invoice. In the event that COMPANY terminates the lease period as to an item of Equipment after the two-month minimum lease period by returning that item of equipment to INTREPID, the monthly lease fee charged for any fraction of a month shall be prorated as follows: Equipment on rent 1-15 days shall be charged 50% of the monthly lease fee. Equipment on rent for more than 15 days shall be charged 100% of the monthly lease fee. In the event that the lease period for an item of Equipment is less than 18 months, COMPANY shall forfeit and pay INTREPID any discounts granted upon the length of the anticipated lease period of 18 months.

3. SHIPPING AND HANDLING. Shipment will be made as specified by COMPANY and at COMPANY's expense. It shall be conclusively presumed that the Equipment was delivered to COMPANY in good operating condition unless COMPANY notifies INTREPID to the contrary within seven days after the commencement of the lease period.

4. TAXES. COMPANY shall pay all taxes and other governmental charges assessed in connection with the Lease, use, or possession of the Equipment including, without limitation, any and all sales and/or use taxes and personal property taxes (other than taxes on INTREPID's net income).

5. WARRANTIES; LIMITED LIABILITY. INTREPID hereby warrants to COMPANY only, that each item of Equipment will be in good operating condition when shipped to COMPANY. COMPANY's damages for any breach by INTREPID of such warranty with respect to an item of Equipment shall be limited to damages directly caused by a defective operating condition which could not reasonably have been discovered by COMPANY after the delivery to it of such item, and in no event shall INTREPID's liability exceed the total rental fees paid by COMPANY for the item. THE FOREGOING WARRANTY IS THE SOLE AND EXCLUSIVE WARRANTY AND IS MADE IN LIEU OF ANY ORAL REPRESENTATION AND ALL OTHER WARRANTIES AND DAMAGES.

6. SAFEKEEPING, DAMAGE AND LOSS. COMPANY shall bear the entire risk of loss, theft, damage, or destruction from any cause whatsoever of the Equipment, and in the event of such loss, theft, damage, or destruction, COMPANY shall not be relieved of the obligation to make the rental payments set forth in Paragraph 2 of this agreement or from any other obligation under this agreement. COMPANY shall be responsible for and pay to INTREPID within 30 days after invoice the cost of purchasing new equipment to replace any lost or materially damaged Equipment, as well as the cost of restoring any Equipment that is returned with extraordinary wear and tear or damage.

7. DELINQUENT PAYMENTS; DEFAULT. COMPANY shall pay to INTREPID a late charge on any late payment from the due date thereof until the date paid, at the lesser of 1.5% per month or the maximum rate permitted by law. Upon any default or breach by COMPANY, INTREPID shall have the right to terminate this agreement, take immediate possession of the Equipment, and recover from the COMPANY in any action to enforce INTREPID's rights hereunder, all amounts due hereunder, together with INTREPID's costs and reasonable attorney's fees. COMPANY shall name INTREPID as additional insured on any policy of insurance covering the Equipment.

8. OPTION TO BUY. After COMPANY has rented the Equipment for a continuous 18- month period and made all payments required under Paragraphs 2, 3, 4, and 7 herein, INTREPID will transfer the ownership of the Equipment to COMPANY.

9. RETURN OF EQUIPMENT. The lease period will terminate when COMPANY returns the Equipment by prepaid insured shipment to INTREPID at the address listed above. COMPANY shall return all Equipment to INTREPID in good operating condition, normal wear and tear excepted. COMPANY is responsible for any damage caused during the return shipment and for ensuring that all returned Equipment is clean and without cosmetic defects. Upon return of the Equipment, INTREPID will perform a complete functional and cosmetic review of the Equipment. If INTREPID deems it necessary, INTREPID will repair any cosmetic or functional damage, calibrate the Equipment and/or acquire missing Equipment, including accessories. COMPANY shall reimburse INTREPID for all accessories, manuals, parts, labor, service, calibration, maintenance and materials required to return the Equipment to the condition described herein.

10. MISCELLANEOUS. Any waiver by either party of any default or breach hereunder shall not constitute a waiver of any provision of this agreement or of any subsequent default or breach of the same or a different kind. The invalidity of any of the terms and conditions of this agreement shall not affect the validity of any other terms and conditions. COMPANY shall furnish such financial and business information about COMPANY and shall execute such financing statements and other documents as INTREPID may from time to time request. The rights of INTREPID and COMPANY hereunder shall be governed by the laws of the State of Michigan. If either party brings against the other party any proceeding arising out of this agreement, that party may bring that proceeding only in any state court of Michigan sitting in Oakland County, and each party hereby submits to the exclusive jurisdiction of those courts for purposes of any such proceeding. The above terms and conditions are the only terms and conditions upon which INTREPID is willing to lease or sell the Equipment. Consequently, this agreement may not be supplemented, modified, amended, released or discharged except by an instrument in writing signed by each party's duly authorized representative.

RESPONSIBLE REPRESENTATIVE OF THE COMPANY

SIGNATURE: _____

NAME:

Title:

Date: