

GORDON SYSTEMS, INC. • Equipment Rental Agreement

THIS AGREEMENT made and entered into this _____ day of _____ 20____ by and between Gordon Systems, Inc., a New York corporation ("GSI"), with office address at PO Box 746, DeWitt, New York 13214 and _____ ("Customer").

In consideration of the mutual promises of the parties hereto and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto have agreed and do hereby agree as follows;

1. RENTAL OF EQUIPMENT: GSI rents to Customer and Customer rents from GSI the following described equipment ("Equipment"):

Quantity	Description	Serial No.
1	Gordon Diagnostic System	_____

**** Complete all starred sections**

The Equipment shall be located at:

Street Address & Room Number _____

City, _____ State _____ Zip _____

Telephone Number _____ Person to Contact _____

The term of this Equipment Rental Agreement ("Agreement") shall commence on the date the equipment is received by the Customer, accompanied by payment in the amount of the first two month's rental, as set forth below. From and after two months, and subject to the payment of all rentals due to that time from the commencement of the term of this Agreement, this Agreement may be terminated by Customer or GSI, subject to the terms and conditions of this Agreement.

Upon the expiration or earlier termination of the term of this Agreement, as provided herein, Customer, at Customer's expense, shall immediately return the Equipment and the Instruction Manual and Interpretive Guide, unencumbered, to GSI in good repair, ordinary wear and tear resulting from the proper use of the Equipment excepted, by properly packing the Equipment for shipment and delivering it to GSI.

2. TERM OF AGREEMENT AND RENTAL: The initial term of this renewable Agreement shall be 2 months, commencing with the date the equipment is received by the Customer. The rental for the equipment shall be \$300 for the first two months (plus applicable state or local tax plus \$25 for UPS ground shipping fee, included in first two month's rent). After introductory rental, rental is \$300 for each additional 2 months plus applicable state and local tax. Rentals are automatically renewable, unless notification is received prior to expiration.

3. RENT AND TAXES: Customer promises and agrees to pay all specified rental installments, as set forth above, on the date designated for payment and without demand. Said rental shall be payable to GSI at GSI's office address, or to such other person and at such other place as GSI may from time to time designate in writing to Customer. In addition, Customer agrees to keep the Equipment free of all levys, liens or encumbrances; to file all personal property tax returns, to pay all state and local personal property taxes, assessments and fees which may be levied or assessed on or in respect to the Equipment (attach Certificate or list number for tax exempt status) # _____.

4. USE; REPAIR; ALTERATIONS; LOSS AND DAMAGE: Customer, at Customer's expense, during the term and until the return of the Equipment to GSI shall properly maintain the Equipment and shall use it in a careful manner and shall keep the Equipment in good repair. Customer is responsible for routine daily maintenance and cleaning of the Equipment. Customer shall not make any alterations, additions or improvements to the Equipment without GSI's prior written consent. All additions and improvements made to the Equipment shall become the property of GSI. Customer shall bear the entire risk of loss, theft, damage or destruction of the Equipment from any cause whatsoever during the term hereof and until the return of the Equipment to GSI as herein provided.

GSI shall be responsible for the repair and maintenance of the Equipment (other than routine daily maintenance and cleaning), and in the event of any malfunction or failure of the Equipment, Customer shall give prompt written notice to GSI whereupon GSI shall make appropriate arrangements for service and repair of the Equipment.

GSI shall be responsible for the expense of all necessary repairs, maintenance and replacement to or of the Equipment except for such loss or damage as may be caused by the negligent or intentional acts of Customer, Customer's agents or employees and except for normal wear and usage of the Equipment.

5. OWNERSHIP: The Equipment shall at all times remain the property of GSI. Customer will at all times protect and defend, in and to the Equipment, the ownership of GSI against all claims, liens and encumbrances of creditors of Customer and other persons, and keep the Equipment free and clear from all such claims, liens and encumbrances. The Equipment is and shall remain the personal property, and not part of any real estate. Furthermore, if GSI supplies Customer with labels stating that the Equipment is owned by GSI, Customer shall affix and keep the same in a prominent place on the Equipment.

6. NO ASSIGNMENT: Customer shall not assign this Agreement or any interest herein or mortgage or hypothecate this Agreement or any interest herein, or sublet the Equipment without the prior written and specific consent of GSI.

7. INDEMNITY: Customer does hereby agree to indemnify and hold GSI free and harmless from all claims, loss, liability and expense (including reasonable attorney's fees) resulting from any loss or damage to the Equipment, however arising, directly or indirectly, from or incident to the use, operation or storage of the Equipment.

8. INSURANCE: Customer shall keep the Equipment insured against all risk of loss or damage from every cause whatsoever for

not less than the aggregate amount of the unpaid total rental for the balance of the term of this Agreement or the then current replacement value of the Equipment, whichever is higher. All insurance for loss or damage shall provide that GSI shall be a named insured to the extent of its interest in the Equipment. Customer shall deliver to GSI a certificate of insurance or such other evidence thereof satisfactory to GSI with respect to such insurance coverage. In the case of the failure of Customer to procure or maintain said insurance, GSI shall have the right, but shall not be obligated to, effect such insurance in behalf of Customer at Customer's expense.

9. LATE CHARGES AND INTEREST: Should Customer fail to pay any part of the monthly rental herein provided and any other sum required to be paid to GSI by Customer within ten days after the due date thereof, Customer shall pay to GSI a late charge of 1.5% of the delinquent amount with a minimum of \$1.00 for each month or a part thereof for which such rent or other sum may be delinquent.

10. GORDON SYSTEMS INC.'S ADVANCES: Advances, if any, made by GSI to preserve the Equipment or to pay insurance premiums for insurance thereon or discharge and pay any taxes, assessments, fees, penalties, liens or encumbrances thereon shall be added to the unpaid balance of the rentals due hereunder and shall be repayable by Customer to GSI immediately together with interest thereon at the rate of 18% per annum or the maximum rate allowed by law whichever is less.

11. NOTICES: Any notices and demands required to be given, under this lease, shall be given to the parties in writing by registered or certified mail, return receipt requested at the address for the parties set forth below or at such other address as the parties may hereinafter substitute by written notice to the other.

GSI: Gordon Systems, Inc.
P.O. Box 746
DeWitt, New York 13214

Customer:

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12. OPTION TO PURCHASE EQUIPMENT: Customer may purchase the Equipment from GSI any time during the term of this Agreement for \$1,695.00. Customer will be entitled to a credit against the stated purchase price in an amount equal to the first two months' rentals paid under this Agreement to GSI.

13. WARRANTY: GSI hereby warrants that should the Equipment prove defective by reason of improper workmanship or material during the period of one year from the date of this Agreement, GSI will repair the Equipment, affecting all necessary parts,

replacements, without charge for parts or labor. GSI is entitled to require that the Equipment be shipped, freight prepaid, or delivered to a facility authorized by GSI to render these services on the Equipment provided hereunder. The Equipment must not have been previously altered, repaired or serviced by anyone other than GSI or a service facility authorized by GSI to render such service; the serial number of the Equipment must not have been altered; the Equipment must not have been subject to accident, misuse, abuse, or operated contrary to the instructions contained in the operating manual. Except to the extent prohibited by applicable law, all implied warranties made by GSI in connection with the Equipment, including the warranty of merchantability, are limited in duration to a period of one year from the date of this Agreement and no warranties, whether express or implied, including said warranty of merchantability, shall apply to the Equipment after such period. Should the Equipment prove defective in workmanship or material, the Customer's sole remedy shall be such repair or replacement as hereinabove expressly provided; AND UNDER NO CIRCUMSTANCES SHALL GSI BE LIABLE FOR SPECIAL, INCIDENTAL, DIRECT OR CONSEQUENTIAL DAMAGES OF A COMMERCIAL NATURE ARISING OUT OF THE USE OF, OR INABILITY TO USE, THE EQUIPMENT. GSI's maximum liability hereunder shall be the sale price of the equipment.

14. MISCELLANEOUS:

(a) This Agreement constitutes the entire Agreement between GSI and the Customer with respect to the rental of the Equipment described herein, and replaces and supercedes all prior negotiations, letters or representations, either written or oral.

(b) This Agreement may be amended or modified only by written instrument signed both by an authorized representative of GSI and of the Customer.

(c) No waiver of the provisions of this Agreement shall be effective unless made in writing and signed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver or waiver in respect of any subsequent breach or default, either of similar or different nature, unless expressly so stated in writing.

(d) The laws of the State of New York shall apply and bind the parties in any and all questions arising under this Agreement regardless of the jurisdiction in which any action or proceeding may be initiated or maintained. It is understood that this is a general form of Agreement, and if any of its provisions in any way violates or contravene the laws of the state in which they apply, such provision shall be deemed not to be a part of this Agreement, and the remainder of the Agreement shall remain in full force and effect.

(e) Section headings are for purposes of convenience and shall not effect the meaning or interpretation of any of the provisions of this Agreement.

(f) This Agreement and its terms and conditions shall be binding upon and inure to the benefit of the parties hereto, their successors, legal representatives, heirs and assigns.

NOTE: For security purposes, we require a VISA or MASTERCARD number. This will ONLY be used if this contract is abrogated.

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			MASTERCARD VISA
Cardholder's Name	Card Number	Expiration Date	Card Type
Cardholder's Signature		CVV2 security code	

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

for GORDON SYSTEMS, INC.

W.E. Gordon, Ph.D.

for CUSTOMER

Print Name & Title