

EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE AGREEMENT (“Lease”), made and entered into as the last date of the parties signature below by and between **G ARNAUTU EXPRESS INC,**, an Illinois limited liability company (“Lessor”) and (“Lessee”)

1. **LEASED EQUIPMENT:** The Lessor rents and leases to the Lessee, and the Lessee rents and leases from the Lessor, upon the terms and conditions contained in this lease, the equipment and property described on **EXHIBIT A TRAILER ACQUIRED**, to this Lease (“Leased Equipment”)

2. **LEASE TERM:** The term of this Lease shall commence on and will continue on a month-to-month basis.

(“Commencement Date”)

3. **RENT**; The Lessee shall pay to the Lessor rent for the

Leased Property in the amount of

_____ (\$ _____ . _____) due on the 28th of every month and
prorated from the date of this lease _____ (\$ _____ . _____) which is

due on the Commencement Date. If any monthly rent is not received by the Lessor within five (5) days of its due date, the Lessee shall pay a late charge in the amount of eighteen percent (18%) of the delinquent monthly rental amount. In addition, the Lessee shall pay to the Lessor interest on all rent and other amounts due to the Landlord pursuant to this Lease at the rate of eighteen percent (18%) per annum from the due date (or the maximum rate allowed under applicable legislation) until received by the Lessor. All future payments due to the Lessee to be made in ACH payment only, or electronic funds transfer. A \$100.00 fee will be charged for every payment returned marked NSF (Non-Sufficient Funds) as well as for every failure to pay a toll violation on time. Only the first month is prorated, the last month of rent is NOT.

4. **SECURITY DEPOSIT:** Upon the execution of this Lease, the Lessee shall pay to the Lessor an amount of

(\$.) as security for the

performance by the Lessee of all of the terms of this Lease. The Lessor may at any time or times apply all or any part of this security deposit in payment of any amount due to the Lessor from the Lessee. If the Lessor so applies all or any part of this security deposit, the Lessee shall, within ten (10) days of demand by the Lessor, redeposit with the Lessor the

amount necessary to bring the security deposit back to its original amount.

Within forty-five (45) days after the expiration or termination of this lease and if the Lessee has fully performed all of the Lessee's obligations under this Lease, so much of the security deposit that remains unapplied by the Lessor shall be returned to the Lessee without interest.

5. **DELIVERY AND SURRENDER OF EQUIPMENT:** The Lessee, at the Lessee's expense, shall obtain possession of the Leased Equipment at the Lessee's facility located at 25109 Lorenzo Rd, Wilmington, IL 60481 ("Facility") on or subsequent to the Commencement

Date during reasonable business hours. Immediately upon termination of the Lease for any reason, it shall be the Lessee's responsibility to return and relinquish possession of the Leased Equipment during reasonable business hours to the Facility.

Upon returning the equipment, the Lessee shall give Lessor 2 total return notices, 1st return notice with 3 business working days and 2nd notice at the beginning of the business day when the return is happening, therefore making sure that the responsible person for inspecting the trailer is or will be on site at the time of returning.

In order to prevent incurring an additional month's charge, please ensure that the equipment is returned during regular business hours, on or before the 27th day of the month, by 3 pm. Failure to do so will result in it being included on the next month's invoice.

Absolutely no dropped trailers without the rental manager being present. The equipment must be properly inspected on site at the time of drop-off.

The Lessor reserves the right to deny the equipment's return if the equipment is damaged, incomplete, or if the repair time exceeds 3 days, which includes ordering any necessary parts and their delivery time. In such cases, the Lessee shall be responsible for repairing the equipment at their own expense and only then surrendering it in the same state as when it was received. The equipment will continue to be rented until all repairs are completed, and only after that can it be surrendered. Additionally, all equipment must be returned after undergoing an acid wash; otherwise, an additional fee of \$100.00 will be assessed upon return.

6. **PERMISSIBLE USE:** The Lessee shall use the Leased Equipment only for hauling, transport, and storage of goods in a manner not reasonably expected to cause harm or damage to the Leased Equipment. The Lessee shall use the Leased Equipment in a careful and proper manner at all times and shall comply in every respect with all rules, ordinances, regulations, statutes, and laws of all governmental units having jurisdiction over the Leased Equipment of the use of it and with all requirements of any insurance company insuring either the Lessor or the Lessee. The Lessee shall not use the Leased Equipment for hire except with the prior written consent of the Lessor. The Lessee shall not abandon the Leased Equipment at any time during the term of this Lease.

7. **TITLE TO LEASED EQUIPMENT:** The Leased Equipment is and shall at all times be and

remain the sole and exclusive property of the Lessor. The Lessee shall have no right, title, or interest in the Leased Equipment except as expressly provided for in this Lease. The Lessee shall not encumber the Leased Equipment or allow the Leased Equipment to be encumbered or pledge the Equipment as security in any manner.

8. GUARANTY: This Lease is subject to the condition precedent that the Guaranty attached here

to as EXHIBIT B shall be executed by:

(“Lessee”).

9. MAINTENANCE AND REPAIR: The Lessee, at the Lessee's own cost and expense, shall keep the Leased Equipment in good repair, condition, and working order at all times. Upon the expiration or sooner termination of this Lease, the Lessee shall surrender the Leased Equipment and all keys to it to the Lessor by the Lessee excepting only reasonable wear and tear resulting from proper use alone. The Lessor is responsible for the equipment's maintenance only if it's performed on site at the Lessor's repair facility. No refunds for any over-the-road expenses under any circumstances.

10. ALTERATIONS AND ADDITIONS: The Lessee shall not make any alterations or additions to the Leased Equipment or otherwise change the Leased Equipment without the prior written consent of the Lessor. All such alterations, additions, or other changes shall be made at the sole expense of the Lessee. All alterations, additions, or other changes made to the Leased Equipment by the Lessee shall immediately upon their completion be deemed to have attached to and become a part of the Leased Equipment and be the sole property of the Lessor. However, within thirty (30) days of the date of the notice, remove any alterations, additions, or changes made to the Leased Equipment by the Lessee and restore the Leased Equipment to its condition existing prior to the installation of such alterations, additions, or other changes.

11. LOSS AND DAMAGE: The Lessee shall assume all risk of loss of and damage to the Leased Equipment from any cause. No loss of or damage to the Leased Equipment shall impair any obligation of the lessee under this Lease. If any portion of the Leased Equipment is lost or damaged the Lessee shall, at the option of the Lessor, either place the Leased Equipment in good repair, condition, and working order or replace the Leased Equipment with like equipment in good repair and acceptable to the Lessor which replacement equipment shall then become subject to this Lease.

In case of an accident, when the equipment is stated as “TOTAL LOSS” by the insurance company, the Lessee is responsible to reimburse the exact amount of the equipment stated in the “EXHIBIT A”, or the price difference from the amount stated in the “EXHIBIT A” and the amount offered by the Insurance company.

12. INSURANCE: Please choose an option for the insurance:

- ☐ Lessor offers insurance on the rented equipment. If this option is chosen, The Lessee agrees to pay a 4% annual fee based on the rented equipment value.
(Ex: \$50,000(value)*4%/12(months) = 167\$/month)
- ☐ The Lessee shall procure and maintain during the entire term of this Lease the following insurance coverage:

- (a) Comprehensive and collision coverage covering the Leased Equipment in an amount of not less than the replacement cost of the Leased Equipment.
- (b) Comprehensive general liability insurance with respect to the Lessee's use of the Leased Equipment including personal injury, blanket contractual, products liability, broad form property damage, and independent contractor's coverage with minimum liability limits of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 annual aggregate.
- (c) Motor vehicle auto liability insurance for all owned, non-owned, hired, or leased motor vehicle equipment used in connection with operation of the Leased Property with bodily injury and property damage liability limits of not less than \$750,000.00 per occurrence and \$1,000,000.00 annual aggregate.
- (d) Worker's compensation insurance as required by state law.

All the insurance coverage to be procured and maintained by the Lessee shall name the Lessor as additional insureds, shall contain waiver of subrogation rights against the Lessor, and shall be issued by companies holding an A.M. Best's rating of B+ or better. The Lessee shall pay all the premiums for the insurance coverage required of the Lessee on or before the due dates and shall deliver to the Lessor upon the execution of this Lease and at each policy renewal time the policies or certificates of them with a deductible no greater than one thousand dollars (\$1,000.00). Each insurer for the insurance coverage required by this paragraph shall agree by endorsement on the policies issued by it or by an independent instrument that it will give to all named insureds not less than thirty (30) days' written notice before the policies will be altered or canceled.

- 13. **INDEMNIFICATIONS:** The Lessee shall indemnify and defend the Lessor and the Lessor's accessors, representative, officers, directors, and agents harmless from and against any and all claims, actions, damages, liability, and expense in connection with loss of life, personal injury, or damage to property arising from or out of any occurrence involving the Leased Equipment or the use of the Leased Equipment by the Lessee which claims, actions, damages, liability and expense is occasioned wholly or in part by any action or omission of the Lessee or the Lessee's agents, employees, or invitees, except to the extent caused by the gross negligence or willful misconduct of the Lessor.
- 14. **TAXES AND FEES:** The lessee shall pay promptly when due all license fees, assessments, and sales, use, property, or other taxes now or at any time imposed on the Leased Equipment by reason of the ownership, leasing, renting, possession, or use of it whether these taxes and fees are assessed to the Lessor or to the Lessee excluding only federal or state taxes imposed on or measured by the income of the Lessor. If any taxes or fees are required by law to be assessed or billed to the Lessor, the Lessee shall do all things required to be done by the Lessor in connection with the levy, assessment, billing, or payment of such taxes or fees and are hereby authorized by the Lessor to act on the Lessor's behalf in such respect.
- 15. **INSPECTION BY LESSOR:** The Lessor shall have the right from time to time during normal business hours to enter the property at which the Leased Equipment is located for the purpose of inspecting it.
- 16. **DRIVER GUIDELINES:** Lessee agrees to Driver Guidelines presented in Exhibit C.

17. **WARRANTIES EXCLUDED:** THE LESSOR IS NOT A MANUFACTURER OF THE LEASED EQUIPMENT OR A DEALER IN SIMILAR PROPERTY AND HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION, QUALITY, DURABILITY, SUITABILITY, OR MERCHANTABILITY OF THE LEASED EQUIPMENT.
18. **ASSIGNMENT OR SUBLETTING:** The Lessee shall not assign or transfer this Lease or any interest under this Lease, sublease any part of the Leased Equipment, or permit others to use any part of the Leased Equipment without the prior written consent of the Lessor which the Lessor may grant or deny in the Lessor's sole discretion. Any such consent by the Lessor to an assignment shall not be deemed to be a consent to any subsequent assignment or sublease. Any such assignment or sublease by the Lessee without the prior written consent of the Lessor shall be void and shall, at the option of the Lessor, be an event of default by the Lessee under this Lease. This Lease, the leasehold interest of the Lessee and any other interest of the Lessee under this Lease or in the Leased Equipment shall not be subject to involuntary assignment, transfer, or sale or to assignment, transfer, or sale by operation of law in any manner whatsoever. Any such attempted involuntary assignment, transfer, or sale shall be void and shall, at the option of the Lessor, be an event of default under this Lease.
19. **LESSOR'S RIGHT TO PERFORM:** If the Lessee fails to do any of the things required of the Lessee by this Lease and such failure continues for a period of ten (10) days after written notice from the Lessor specifying the nature of anything required to be done, the Lessor required of the Lessee. The Lessor shall not be in any way responsible for any loss, inconvenience, annoyance, or damage resulting to the Lessee from such performance by the Lessor on behalf of the Lessee. The Lessee shall repay to the Lessor on demand the entire reasonable expense, including reasonable compensation to the agents and employees of the Lessor, incurred by the Lessor in performing such a thing. If payment is not made within five (5) days of such demand, the amount due to the Lessor shall bear interest from the date of the demand until paid at the rate of eighteen percent (18%) per annum. Any act or thing done by the Lessor pursuant to the provisions of this paragraph shall not be constructed as a waiver of any default by the Lessee or as a waiver of any other right or remedy of the Lessor under this Lease or otherwise.
20. **DEFAULT:**(a) The occurrence of any one or more of the following events shall constitute a default by the Lessee under this Lease:(i) If the Lessee fails to pay any portion of the rent or any other amounts due to the Lessor under this Lease when due and such default is not cured within not less than ten (10) days after notice of such default is given by the Lessor to the Lessee:(ii) If any voluntary or involuntary petition or similar pleading under any section of any bankruptcy act is filed by or against the Lessee or any voluntary or involuntary proceeding in any court is instituted to declare the Lessee insolvent or unable to pay the Lessee's debts:(iii) If the Lessee makes any assignment of the Lessee's property for the benefit of creditors or if the Leased Equipment is taken under a levy of execution or attachment, or similar action against the Lessee:(iv) If the Lessor reasonably determines that the Lessee will be unable to perform the Lessee's obligations under this lease by reason of the death or disability of either person constituting the Lessee:(v) If the Lessee fails to perform any of the other things required of the Lessee under this Lease and such default is not cured within not less than thirty (30) days after

notice of such default is given by the Lessor to the Lessee.(b) Upon the occurrence of any such event of default, the Lessee hereby authorizes and empowers the Lessor to:

(i) Cancel and terminate this Lease and immediately re enter and take possession of the Leased Equipment without the requirement of any previous notice of intention to reenter, and to remove all persons and their property therefrom using such force and assistance in effecting and perfecting such removal as the Lessor may deem reasonably necessary to recover full and exclusive possession of the Leased Equipment: or

(ii) Reenter and take possession of the Leased Equipment in the manner provided in subparagraph (a) without such reentry constituting a cancellation or termination of this Lease or a forfeiture of the rent to be paid or of the covenant, agreements, and conditions to be kept and performed by the Lessee for and during the remainder of the term of this Lease.

(c) If the Lessor re enters and takes possession of the Leased Equipment, the Lessor may do any one or more of the following and the Lessee shall have the following obligations:

(i) The Lessor shall have the right but not the obligation to lease all or any portions of the eased Equipment for such periods of time, at such rentals, for such use and upon such terms, covenant, and conditions as the Lessor may reasonably elect, applying the net rentals from such letting first to the payment of the Lessor's expenses incurred in dispossessing the Lessee, the costs and expenses of making any improvements to the Leased Equipment as may be reasonably necessary to enable it to relet the same, and to the payment of any brokerage commissions or other necessary expenses incurred in connection with such reletting. The balance, if any, shall be applied by the Lessor, from time to time, but in any event no less than once each month, on account of the payments due or payable by the Lessee under this Lease.

(ii) The Lessor may, from time to time, bring such actions or proceedings for the recovery of any deficits remaining unpaid or to enforce any other covenant or condition contained in the Lease as the Lessor may deem advisable without being obligated to wait until the end of the term of this Lease or for a final determination of the Lessee's account. The commencement or maintenance of one or more actions shall not bar the Lessor from bringing other or subsequent actions for further accruals or defaults under and pursuant to the provisions of this Lease.

(iii) Any balance remaining after full payment and liquidation of all amounts due to the Lessor shall be paid to the Lessee at the end of the term of this Lease, with the right reserved to the Lessor at any time to give notice in writing to the Lessee of the Lessor's election to cancel and terminate this Lease and all the Lessee's rights and obligations under it. Upon the giving of such notice and the simultaneous payment by the Lessor to

the Lessee of any credit balances in the Lessee's favor that may at the time be owing to the Lessee shall constitute a final and effective cancellation and termination of this Lease and the obligations on the part of either party under it.

(iv) The Lessor upon serving the Lessee a default notice and payment is not cured within not less than ten (10) days, Lessee gives Lessor the authority to report the equipment stolen to the police and file a claim against Lessee's insurance company.

The Lessor shall be entitled to recover of the Lessee all costs and fees incurred by the Lessor by reason of any default of the Lessee under this Lease, by reason of any other failure of the Lessee to perform any of the things required of the Lessee by this Lease, or by reason of any other act or omission of the Lessee in each case whether or not such default or other action is cured within the required time.

Recoverable costs and fees shall include but not be limited to attorney's fees, retrieval expenses, and collection agency fees.

21. **REMEDIES AND WAIVER:** All of the remedies conferred on the Lessor in this Lease and by law shall be deemed cumulative and not exclusive of the other. The waiver or failure of the Lessor to take any action with respect to any breach of any of the terms, conditions, and provisions of this Lease shall not be deemed to be a waiver of such term, condition, and provision. The subsequent breach of the same, or a waiver of any other term, condition, or provision. The subsequent acceptance of rent under this Lease by the Lessor shall not be deemed to be a waiver of any preceding breach by the Lessee of any term, condition, or provision of this Lease other than the failure of the Lessee to pay the particular rent so accepted by the Lessor regardless of the Lessor's knowledge of such preceding breach at the time of the acceptance of such rent. 22.

NOTICES: Notices given pursuant to this Lease shall be in writing and given either by actual deliver of the notice into the hands of the party entitled to receive it or by mailing of the notice in the United States mail, certified mail, return receipt requested, to the following addresses:

Lessor

G Arnautu Express INC c/o

**25611 W MAURICE LN
PLAINFIELD, IL 60586**

815-600-2487

safety@gaeexpressinc.com

Lessee

email:

phone

FEIN

USDOT:

MC:

