

Parallel Technology, LLC Rental Agreement

Terms and conditions

This Equipment Rental Agreement (hereinafter referred to as the "Agreement") is made as of _____, 20__ by and between Parallel Technology, LLC ("hereinafter referred to as "Parallel"), a California corporation, having its principal place of business at 615 Hawaii Ave. Torrance, CA 90503, and _____, a _____ corporation, with its principal place of business at _____, (hereinafter referred to as "Customer"), with regard to the rental of that certain personal property (hereinafter referred to as the "Equipment") detailed on Exhibit "A", which Exhibit "A" is attached hereto and incorporated herein by this reference. The foregoing addresses are also the addresses where any and all notices may be delivered to either Parallel or Customer.

In consideration of the mutual exchange of promises, and for other good and valuable consideration, the parties hereto, Parallel and Customer, agree as follows:

1. Rental Period

Equipment is rented on a monthly basis with a one-month minimum rental period. The rental period shall commence on the date Parallel ships the Equipment to the Customer and shall in all cases extend until the date equipment is received at the Parallel facility in Torrance, California.

2. Rental Charges (check appropriate box)

Customer shall pay to Parallel, as rent for the use of the Equipment, the sum of:

a.) _____ per month for _____ as detailed on Exhibit "A", plus any sales or use tax imposed thereon, per terminal of equipment, quantity of terminals determined by the Customer's purchase order, and detailed on Exhibit "A". All amounts due thereunder shall be due within 30 days after the date of the Parallel invoice. In the event that any rental period terminates after the one-month minimum rental period, the rental fee charged for any fraction of a month will be prorated as of the date Equipment is received at Parallel. Should the rent of any part thereof be at any time unpaid, Customer shall pay to Parallel interest on such arrears at the rate of twelve percent (12%) per annum from the date of default until the arrears shall be paid, together with all reasonable collection charges and expenses. These charges shall be in addition to all other remedies at law or in equity, which Parallel may have against Customer for default in the payment of rent.

3. Shipping and Handling

All Equipment is provided FOB Torrance, California. Shipment will be made as specified by Customer and at Customer's expense.

4. Taxes

Customer shall pay all taxes and other governmental charges assessed in connection with the rental, use or possession of the Equipment including, without limitation, all sales and/or use taxes and personal property taxes.

5. Ownership and Use

- A. The Equipment shall at all times be the sole and exclusive property of Parallel and is provided to Customer solely on a rental basis. Customer shall have no rights or property interest in the Equipment, except for the right to use it in the normal operation of the business of Customer.
- B. The Equipment is and shall remain personal property even if installed in or attached to real property. Parallel shall be permitted to display notice of its ownership on each article of Equipment by means of a suitable stencil, label, or plaque affixed thereto. Customer shall promptly notify Parallel if any stencil, label or plaque becomes damaged or illegible.
- C. Customer shall keep the Equipment at all times free and clear from all claims, levies, taxes, liens, encumbrances, and process. Customer shall give Parallel immediate notice of any such attachment, lien or other judicial process affecting any article of rented Equipment. Customer shall pay, and shall indemnify Parallel from, any and all sales and/or use taxes, fees for permits, registrations, permits and any other certificates required for the lawful operation of the Equipment.
- D. Customer shall not pledge, lend, create a security interest in, sublet or part with possession of the Equipment or any part thereof or attempt in any other manner to dispose of the Equipment, without Parallel's prior written consent.
- E. Customer shall cause the Equipment to be operated, in accordance with the manual of instructions, by competent and qualified personnel. Customer shall not allow the Equipment to be used in a manner that violates any applicable law, rule or regulation.

F. Customer shall bear the entire risk of loss, damage, theft, or destruction of the Equipment from any cause whatsoever, customer shall not be relieved of the obligation to pay rent of from any other obligation under this agreement. Customer shall be responsible for and pay to Parallel on demand the list price of any lost or materially damaged Equipment, as well as restoring any Equipment that is returned with extraordinary wear and tear or damage within 30 days of invoice.

6. Service and Repair

Customer shall keep the Equipment in good condition and, at its own cost return any defective or non-performing equipment to Parallel for repair or replacement. Customer shall not attempt to repair Parallel equipment. Customer shall call Parallel's customer service for operating assistance and/or return instructions.

7. Insurance

Customer, at its own cost and expense, shall insure its interest in the Equipment as it deems appropriate, and any and all policies of insurance shall provide for payment of all losses to Parallel.

8. Indemnification of Parallel

Customer assumes liability for and shall indemnify, protect, save and keep harmless Parallel, its agents and servants from and against all losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal expenses of any kind and nature imposed upon, without limit, incurred by or asserted against Parallel in any way relating to or arising out of this rental or of the use of the Equipment. The indemnities contained in this paragraph 8 shall continue in full force and effect, notwithstanding the termination of this rental.

9. Return

Equipment shall be returned to Parallel by prepaid insured shipment to Torrance, California. Customer shall return Equipment to Parallel in good operating condition, normal wear and tear excluded. Customer shall properly pack for shipment all Equipment being returned in its original shipping containers and shall be responsible for any damage caused during return shipment.

10. Option to Buy (check appropriate box)

Parallel will allow a credit of 50% of the fully paid rental charge to be applied against the cost of purchasing the actual units of Equipment being rented by Customer; for example, the credited amount of:

a.) _____ for _____ as detailed on Exhibit "A", based on a _____ month rental period. The purchase price of the actual units being rented by Customer will be based upon a quotation by Parallel for the rental Equipment which will normally be at the full unit list price. Customer cannot assume that the quoted price will be the same as any other prices offered under any other contract or quotation.

11. Remedies on Breach

On the occurrence of any event of any failure of Customer to timely pay the rent due each month for said Equipment, or upon any other default, and at any time afterwards as long as it continues, Parallel may, at its option and without notice to Customer, declare this Agreement to be in default and exercise one or more of the following remedies, to the extent available, permitted by, and subject to any mandatory requirements of applicable law:

- A. Demand that Customer immediately return the Equipment to Parallel in the manner specified by written notice, which will be effective on delivery;
- B. Enter on the premises where all or part of the Equipment is located and, without incurring liability, take immediate possession of the Equipment and remove it;
- C. Declare immediately due and payable all amounts due and to become due under the full term of this Agreement;
- D. Sell the Equipment at private or public sale or hold, use, operate, or rent the Equipment to others, free and clear of any rights of Customer;
- E. Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Customer of the applicable covenants of this Agreement and to obtain relief that the court considers appropriate for the breach;
- F. Terminate this Agreement by written notice, which will be effective on delivery; and
- G. Exercise all rights available to Parallel under the California Commercial Code.

12. Warranty

A. Parallel warrants to Customer only that Equipment is in good working condition upon shipment to Customer. Parallel makes no representation or warranty, express or implied, with respect to the Equipment, and Parallel specifically disclaims any warranty of merchantability or fitness for a particular purpose. Customer acknowledges that Customer is renting the Equipment from Parallel "AS IS." However, to the extent that the Equipment is still subject to the

Parallel standard limited warranty, Parallel assigns to Customer all of its rights and remedies under that warranty or warranties to the extent that said warranty or warranties are assignable.

- B. Parallel does not warrant:
 - (i) Defects caused by failure to provide a suitable installation environment for the product;
 - (ii) Damage caused by use of the Equipment for purposes other than those for which it was designed;
 - (iii) Damage caused by disasters such as fire, flood, wind, and lightning;
 - (iv) Damage caused by unauthorized attachments or modifications;
 - (v) Damage during shipment; or
 - (vi) Any other abuse or misuse by Customer or any third party.
- C. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. In no event will Parallel be liable for any special, incidental, or consequential damages based on breach of warranty, breach of contract, negligence, strict tort, or any other legal theory. Damages that Parallel will not be responsible for include, but are not limited to, loss of profits; loss of savings or revenue; loss of use of the Equipment or any associated equipment; cost of capital; cost of any substitute equipment, facilities, or services; downtime; the claims of third parties including customers; and injury to property. Any action for breach of the foregoing limited warranty must be commenced within twelve (12) months following delivery of the Equipment to Customer.

13. Miscellaneous

- A. The provisions of this Agreement are severable, and if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. The provisions of this Agreement shall inure to the benefit of and shall be binding on the successors and nominees of both and each Parallel and Customer.
- B. If any legal action arises under this Agreement or by reason of any asserted breach of it, the prevailing party shall be entitled to recover all reasonable attorney's fees, costs and expenses incurred in enforcing or attempting to enforce any of its provisions, and all reasonable attorney's fees, costs and expenses incurred in any associated appeal. This Agreement shall be governed by the internal laws of the State of California. If any provision of this Agreement is invalid under any applicable statute or rule of law, it shall to that extent be deemed to be omitted. Venue for any action or proceeding shall be in Los Angeles County, State of California.
- C. Any notice given pursuant to this Agreement shall be in writing and sent by Registered or Certified U.S. Mail (return receipt requested) to the appropriate address given above. Such notice shall be deemed to have been duly given when enclosed in a properly sealed and addressed envelope and deposited (postage and registration or certification fee prepaid) in a post office or branch post office regularly maintained by the U.S. Mail.
- D. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any provision, or prevent that party thereafter from enforcing each and every provision of this Agreement.
- E. Unless modified in a writing signed by both Parallel and Customer, this Agreement is understood to be the complete and exclusive agreement between the parties, superseding all oral or written prior agreements and all other communications between the parties relating to the subject matter of this Agreement, including statements made by salespersons. No employee or agent of Parallel or any other party is authorized to make any warranty in addition to those made in this Agreement. Customer is warned, therefore, to check this Agreement carefully to see that it correctly reflects those terms that are important to Customer. Customer acknowledges that Customer has read this Agreement, understands it, that the undersigned has purchase authority and is bound by its terms.

IN WITNESS WHEREOF, the parties hereto, Parallel and Customer, have executed this Agreement as of the date first written above, at Torrance, California.

"Customer"

A _____ Corporation

Accepted:
"Parallel"

Parallel Technology, LLC
615 Hawaii Avenue, Torrance CA 90503
A California Limited Liability Corporation

By: _____
Authorized Signature

Print name and title

By: _____
Signature

Print name and title