



Denco Container LLC

8354 Northfield Blvd. # 3700
Denver, Colorado 80238



303-929-7879 | 303-929-1026
719-629-8859

**EQUIPMENT LEASE AGREEMENT
AND SECURITY AGREEMENT**

1. PARTIES

THIS EQUIPMENT LEASE AGREEMENT (Agreement) dated ,8/26/2016 is made between Denco Container LLC, (“Lessor”) and

2. DESCRIPTION OF EQUIPMENT. Lessor hereby leases to Lessee on the terms and conditions set forth in this Agreement, its Addendum, its Lease Quote and Delivery Schedules.

3. TERM. The Term of this Agreement shall commence upon the execution of this Agreement, (“Commencement Date”), or when the Lessor tenders delivery of said Equipment, whichever shall last occur and continue thereafter, until the later of: a) the date the Agreement is terminated and the Equipment has been redelivered to Lessor as hereinafter provided or b) the end of the minimum rental period as described in Section 4 of this Agreement.

4. MINIMUM RENTAL PERIOD. Each piece of Equipment shall remain on lease for a minimum of 60 days from the Commencement Date or date of delivery, whichever shall last occur or the minimum term indicated on the lease addendum. Months are not pro-rated.

5. RENTAL, TAXES AND FEES. Lessee agrees to pay Lessor for all charges as outlined in the rental quote.

This Agreement is a net lease. Lessee’s obligation to pay rent and other amounts due hereunder shall be absolute and unconditional, and Lessee shall not be entitled to any abatement of rent or other amounts due hereunder, reductions, thereof or set-offs against said lease or other amounts, including without limitations, abatements, re-coupments , defenses, reductions or set-offs, nor shall the Agreement terminate or the obligations of Lessee be affected by reason of any defect in or damage to or loss of possession , use or reason of any defect in or damage to or loss of possession, use or destruction of any or all of the units of Equipment from whatsoever cause.

In addition to the lease payments provided herein, Lessee agrees that:

- a) Lessee shall pay Lessor for any and all sales and use taxes, other direct taxes and registration fees imposed by the U.S. Government, any state government, or any county, city, or other taxing authority and allocated by Lessor on either an individual or prorated basis for any unit(s) of Equipment based on purchase price, value, possession, use, status, rentals, delivery or operation thereof and excluding any federal or state taxes relating to income. Lessee’s obligations as set forth herein shall survive the termination of this lease, and;
- b) Lessee will pay all costs and expenses (including attorney’s fees and disbursements where recovery of same is not prohibited by law incurred by Lessor in enforcing any of the terms, provisions, covenants and indemnities of this lease).

6. INVOICES AND PAYMENT. Invoices are payable in full within ten (10) days of the date of such invoice. Lease payments and other charges not received by the Lessor within thirty (30) days of the invoice date shall accrue interest at the maximum rate permissible by law each month. In the event payment is returned for insufficient funds, or any other reason, Lessee shall pay Lessor a charge of \$25.00 per occurrence. Disputes, if any, should accompany the full payment. Lessor will do its utmost to verify billing claims within sixty (30) days of notification of such claims and will either issue a credit or provide verification of correct billing or a combination thereof. So long as Lessor is attempting verification in good faith, Lessee agrees not to withhold any monies due to lessor.

Lessor initials: _____

Lessee’s initials: _____

7. **SECURITY DEPOSITS.** Lessee shall provide Lessor prior to or upon execution of the Agreement a credit card (Visa/Master Card) valid for a minimum of twelve (12) months beyond the Commencement Date as security for Lessee's faithful performance of Lessee's obligations hereunder (Security Deposit). If Lessee fails to pay rent or other charges when due under this Agreement, Addendum, or Rental Quote, or fails to perform any of its other obligations hereunder, Lessor may use or apply all or any portion of the Security Deposit for the payment of any rent or other amount then due hereunder and unpaid, for the payment of any other sum for which Lessor may become obligated by reason of Lessee's default or breach, or for any loss or damage sustained by Lessor as a result of Lessee's default or breach. If Lessor so uses any portion of the Security Deposit, Lessee shall, within ten (10) days after written demand by Lessor, restore the Security Deposit to the full amount originally deposited, and Lessee's failure to do so shall constitute a default under this Agreement. Lessor shall not be required to keep the Security Deposit separate from its general accounts, and shall have no obligation or liability for payment of interest on the Security Deposit. In the event Lessor assigns its interest in the Agreement, Lessor shall deliver to its assignee so much of the Security Deposit as is then held by Lessor. Within ten (10) days after the Term has expired and provided Lessee is not then in default of any of its obligations hereunder, the Security Deposit, or so much thereof as had not theretofore been applied by Lessor, shall be returned to Lessee or to the last assignee, if any, of Lessee's interest hereunder.

8. **ACCEPTANCE, MAINTENANCE AND USE.** Lessee agrees to inspect and accept the Equipment as being in good and sanitary order, condition and repair. Lessee shall sign a delivery schedule at time of delivery evidencing such fact or, in the absence of the Lessee at time of delivery, accept the signature of the delivery carrier as proof of delivery of the Equipment in good order and condition.

Lessee shall not use the Equipment for the storage or transport of any hazardous substances and the effects of such substances on the Equipment shall not be considered ordinary wear and tear. If the Equipment is determined to have been used to store any such substances, the lessee will be required to purchase the Equipment at the Replacement Cost as further defined in Sec 14 of this Agreement.

Lessee shall not have the right to assign this Lease or to sublet, rent, or otherwise hire out or transfer possession of any of the Equipment to any person, firm, partnership, association or corporation other than Lessor, without prior written consent of Lessor.

Lessee shall, at its sole cost and expense keep the Equipment:

- a) in good condition and repair (ordinary wear and tear excepted); free of graffiti and debris; supplied with all necessary parts and conspicuously labeled to disclose lessor's ownership, which Lessee shall also maintain and shall not remove or deface;
- b) with free and clear access for delivery by standard mobile transport vehicles. Lessee shall provide firm and level ground on no more than a six-inch slope from one end to the other for safe and unobstructed installation of the Equipment. Site selection is the sole responsibility of Lessee and Lessor shall have no responsibility for nor liability for any inadequacy of any site, or the set-up of the Equipment on the site, selected by lessee involves abnormal conditions;
- c) at the delivery location defined in Section 2 on this Agreement, unless the Lessee receives the Lessor's prior written approval to relocate the Equipment to another site. Lessee shall notify the Lessor immediately of any seizure or obstruction in the access to the Equipment, and shall indemnify and hold Lessor harmless from and against any loss or damage resulting therefrom;
- d) free of all security interests, encumbrances and other claims;
- e) in compliance with all local ordinances governed by the municipalities in the area where the Equipment is located and be responsible for any fines resulting from non-compliance by Lessee, and;
- f) obtain any and all licenses, titles, permits and any other certificates as may be required by law or otherwise for Lessee's lawful operation, possession, installation or use of the Equipment leased hereunder.

9. **NOTICES AND PAYMENTS.** All notices, demands and payments which may be or are to be required or permitted to be given by either party shall be in writing, sent by United States Mail, postage prepaid, addressed to the Lessor or Lessee to the address herein below, or to such other place as the parties from time to time may designate in a notice.

To Lessor: **Denco Container LLC 8354 Northfield Blvd. #3700, Colorado 80238**

To Lessee:

10. **INSURANCE AND INDEMNITY.** Lessee as a material part of the consideration to be rendered to Lessor agrees to insure Lessee's property at Lessee's expense, that Lessor will not and does not have any responsibility to insure Lessee's property and hereby waives all claims against Lessor for damages to goods, wares and personal property in, upon or about the Equipment. Lessee hereby agrees to hold Lessor exempt and harmless from and against all loss and damages Lessor may sustain or suffer cause of:

Lessor initials: _____

Lessee's initials: _____

- a) the loss of or damage to the Equipment because of any collision, fire, lightning and theft, flood, windstorm or explosion, or per casualty while in the custody, possession, or control of Lessee;
- b) the death of or injury to, or damage to the property of any other person as a result of, in whole or in part, the use or condition of Equipment while in the custody, possession, or control of Lessee;
- c) the failure of Lessee to maintain the Equipment as agreed and provided herein. Lessee further agrees, at Lessee's sole cost and expense, to procure and keep in full force and effect during the term of this Agreement, a policy of insurance satisfactory to lessor as to the insurer and as to the form and amount of coverage, with premiums prepaid, protecting Lessor against all loss and damages it may sustain or suffer due to: (1) the loss of or damage to the Equipment, and (2) the death of, injury to, or damage to the property of, any other person as a result, in whole or in part, the use or condition of the Equipment while in the custody, possession, or control of lessee with limits of five hundred thousand dollars (\$500,000) per occurrence as to property damage liability or a combined single limit of one million (\$1,000,000) per occurrence. A certificate of such insurance, naming Lessor as sole Additional Insured and Loss Payee, shall be delivered to Lessor prior to delivery to Lessee of the Equipment. It is agreed and understood that procurement of insurance by Lessee as herein provided shall not affect Lessee's covenants, obligations, and indemnities under this Agreement and the loss, damage to, or destruction of any of the Equipment shall not terminate the Agreement nor except to the extent that Lessor is actually compensated by insurance paid for by Lessee, release Lessee of any of Lessee's liability.
- d) It is further understood and agreed that in addition to comprehensive bodily injury and property damage specified in Section 10c, Lessee agrees to provide comprehensive general liability insurance including coverage for the indemnities contained herein;
- e) In the event Lessee does not furnish Lessor with insurance requirements as specified in Section 10c and 10d within thirty (30) days of execution of this Agreement, Lessee agrees to pay Lessor as additional rent, a non-compliance fee of \$10 per billing cycle. Such fee shall not be construed by Lessee as insurance coverage provided by Lessor to Lessee and shall not waive insurance requirements of Lessee to Lessor.
- f) Lessor shall not be liable for any loss or damage to any property stored, loaded or transported in or upon any Equipment and Lessee does hereby expressly waive any and all claims and demands for any such loss or damage, including but not limited to loss of profits or the alleged consequential damages against Lessor, and Lessee does further agree to indemnify and hold Lessor harmless from and against any and all such claims and demands, and;
- g) Lessor's delivery of the Equipment may be subject to delay in manufacture or delivery. Lessee agrees that the Lessor shall not be responsible for any such delays and that Lessee shall release Lessor from any direct or consequential damages including loss of profits which Lessee or any other parties may incur as a result of said delay. Additionally, Lessor shall have up to 14 days starting from original turn in notification in order to redeliver the Equipment.
- h) Lessee agrees to use and Equipment designated for "storage only" herein for storage for product.

11. **NO WARRANTY FOR MERCHANTABILITY AND FITNESS.** LESSEE AGREES THAT LESSOR MAKES NO WARRANTIES, EXPRESSED OR IMPLIED AND ALL WARRANTIES OF ANY KIND, INCLUDING ANY EXPRESSED OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED WITH RESPECT TO THE EQUIPMENT OR ANY MAINTENANCE OR REPAIR WORK PERFORMED BY LESSOR ON THE EQUIPMENT.

12. **ENTRY.** Lessee grants to Lessor the right and privilege to enter on the real property where the Equipment is located as well as entry to the Equipment at reasonable times for the purpose of inspection, or for making repairs or alterations as may, in Lessor's opinion, be necessary or proper, or for the purpose of determining whether the Lessee is in conformity with the terms and conditions of this Agreement or for exercising any remedies lessor may have upon breach or default of lessor under this Agreement. Lessee shall furnish Lessor a duplicate key(s) and or combinations(s) to said Equipment and any gates or fences for the purpose of permitting entry by Lessor or Lessor's agents as herein above provided. In the event that the Equipment is located on property not owned by Lessee, the Lessee shall obtain the consent of the owner of that real property for Lessor's right to enter for all purposes provided for under this Agreement. Lessee shall keep access to the Equipment available to Lessor.

13. **CREATION OF LIEN ON CONTENTS OF EQUIPMENT.** Lessor shall have a possessory lien on any and all contents of the Equipment to secure the obligations of the Lessee hereunder. Said lien may be enforced in any manner provided by law, including, but not limited to, the power to sell the contents of the Equipment at a public or private sale and to apply the proceeds thereof to the outstanding obligation of Lessee hereunder as provided by Colorado state law. Remedies provided in this paragraph are cumulative as to Lessor and not intended to be exclusive remedy of lessor. Lessor may exercise any and all other rights and remedies, alternatively or cumulatively, at its sole option, including but not limited to, those provided for in Business and Professions Code Section 21700 et. seq.

14. **RISK OF LOSS.** Lessee shall bear the entire risk of all loss, theft damage, destruction, or the interruption or termination of use of the Equipment and the personal property stored therein from any cause whatsoever, during the term hereof and until the return of the Equipment to the Lessor. No such loss, theft, damage, destruction or other interruption or termination of use of the Equipment or personal property stored therein shall relieve Lessee of the obligations hereunder. Lessee shall promptly notify Lessor in writing of the occurrence of any of the above events and shall promptly pay Lessor the following Replacement Cost and any applicable sales and use tax for the Equipment:

Lessor initials: _____

Lessee's initials: _____

<u>Equipment Type and Size</u>	<u>Replacement Cost</u>
Storage Container 10ft / 20ft	\$ 3,000.00
Storage Container 24ft / 26ft	\$ 5,500.00
Storage Container 40ft	\$ 5,000.00
Shelving Brackets 20ft (12 Bracket Standard)	\$50/per bracket
Shelving Brackets 40ft (21 Bracket Standard)	\$50/per bracket

15. **DEFAULT.** The occurrence of one or more of the following shall constitute an Event of Default: a) Lessee fails to pay when due any lease payments or any other payment under this Agreement; b) Lessee fails to perform any other term or condition of this lease and such failure remains not remedied for more than ten (10) days after Lessor has requested Lessee to perform except as such default arises due to noncompliance with Section 8, which default shall become effective immediately; c) Lessee or any guarantor of Lessee: 1) becomes insolvent, 2) commits an act of bankruptcy, 3) becomes subject to any voluntary or involuntary bankruptcy or reorganization proceedings, 4) makes an assignment for the benefit of creditors, 5) appoints or submits to the appointment of a receiver for all or any of its assets, 6) admits in writing its inability to pay its debts as they become due, or 7) enters into any type of voluntary or involuntary liquidation; d) Lessee defaults under any other agreement with Lessor or any affiliate of Lessor ; or e) Any letter of credit, guaranty or other security given to secure the performance of the Agreement shall expire, terminate or become worthless in the opinion of Lessor.

If any Event of Default has occurred and is continuing, Lessor may, at its option and without demand or notice to Lessee, do any one or more of the following: a) Pay all amounts, or perform or cause to be performed by Lessee hereunder and recover from Lessee, as additional rent all amounts so paid or the reasonable value of all services so performed; b) Take immediate possession of the Equipment in accordance with the provisions of Section 13 and if the Equipment is leased for a stated term Section 4 declare the entire balance of rent for the remainder of the term immediately due and payable by acceleration and recover such amount as liquidated damages, the reasonableness of such damages being acknowledged by Lessee or c) Terminate this Agreement and Lessee's rights hereunder and require Lessee to promptly return the Equipment to Lessor at such locations as Lessor may designate. If Lessee is in default of this Agreement or any other agreement with Lessor, Lessee shall be declared in default of all other agreements between Lessee and Lessor. No termination, repossession or other act by Lessor after default by Lessee shall relieve Lessee from any of obligations hereunder. In addition, Lessee shall pay to Lessor on demand, all fees, costs and expenses incurred by Lessor in successfully enforcing its rights hereunder including, without limitation, reasonable attorney's fees. The remedies provided in favor of Lessor shall be cumulative and in addition to all other remedies provided in this Agreement or existing at law or in equity.

16. **ADDITIONAL REMEDIES.** The Parties agree the Agreement constitutes a security agreement with respect to the Equipment and Lessor is granted a security interest therein. Lessor has all of the rights and remedies of a secured party under the applicable Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Lessee, as trustor, agrees to execute and deliver on demand, and irrevocably constitutes and appoints Lessor as beneficiary, the attorney in fact of Lessee to execute, deliver and file any security agreements, financing statements, continuation statements, or other instruments that Lessor may request to impose, or continue the lien or security interest created by this Agreement. Accordingly, on the occurrence of any default, Lessor will have the right to sell at any public or private sales as permitted by applicable law, including the private power of sale, any judicial foreclosure proceeding, and any deed given in lieu of foreclosure, any of the Equipment. Lessor will also have other rights and remedies, whether at law, in equity, or by statute that are available to secured creditors. Any disposition may be conducted by an employee or agent of Lessor. In addition to any other remedies in this Agreement, Beneficiary will have the following rights and remedies upon the occurrence of any default: (a) to receive the payments and any other amounts arising or accruing under the lease; (b) to collect, sue for, settle, comprise and give releases for the payments and pursue any remedies for the enforcement of the Agreement or Lessor's rights under the Agreement; and (c) to take possession of the property and hold, manage, lease, and operate it on any terms and for any period of time if Lessor may deem proper and, with or without taking possession of the property, in its own name, may from time to time make alterations, renovations, repairs or replacements that Lessor may deem proper.

17. **EXPENSES.** Expenses of retaking, holding, moving and preparing for sale, selling or the like will be borne by Lessee and will include attorney fees and legal expenses. Lessee, on demand of Lessor, will make the equipment available to Lessor at any place deemed to be reasonably convenient to Lessor.

18. **FINANCING STATEMENT.** Lessee agrees a UCC-I Financing Statement may be filed in the appropriate jurisdiction and the description of the collateral shall include the Equipment that is subject to this Agreement. The parties agree this UCC-I shall not violate any other agreement or UCC-I previously filed by another creditor of Lessee concerning the Equipment.

19. **TERMINATION.** Except as otherwise provided herein, this Agreement may be terminated by either party upon ten (10) days written notice of intention to terminate given as herein provided to Lessor or Lessee as the case may be. Upon the termination of the Agreement, Lessee shall surrender the Equipment, remove all the Lessee's property from the Equipment, and make the Equipment available for pick up by standard mobile transport vehicles. The Equipment shall be returned to the Lessor in the same condition as accepted by Lessee (reasonable wear and tear excepted) and accessible by standard mobile transport vehicles. Equipment returned with accessories, attachments, missing items, requiring repair, or is not accessible by standard mobile transport vehicles shall remain leased hereunder until said replacements, repairs and or access to pick up the Equipment has been made by Lessor. In the event, Lessee elects not to make the necessary repairs or make suitable access to the Equipment, Lessor shall determine and invoice the Lessee the cost of such repairs and the additional costs of pick up of the Equipment and the Equipment will remain on lease at the then prevailing monthly rate until the date that the Lessor's invoiced amount is paid by the Lessee. Any property remaining in the Equipment after termination shall be deemed abandoned and Lessor reserves the right to dispose of same in accordance with law and in accordance with the terms of this Agreement at the sole expense of Lessee.

Lessor initials: _____

Lessee's initials: _____

20. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the parties and may not be modified or amended without the written consent of the parties hereto.

21. **CHOICE OF LAW.** The parties agree this Agreement has been entered into and shall be governed by and construed in accordance with the laws of the state where United Container has executed this Agreement. Venue is stipulated by the parties to be where Denco Container has executed this Agreement. Venues are as follows:

Denco Container LLC

Colorado

Denver

22. **WAIVER; SEVERABILITY.** No waiver of any breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provisions herein. If any provision of this Agreement is held by any court to be invalid, void or unenforceable by action of law or inequity, the remaining provisions shall remain in full force and effect.

23. **CREDIT CARD AUTHORIZATION.**

Denco Container LLC primary payment method for individual/residential/personal containers is credit / debit card. In order to process a Rental / Hire Agreement Denco Container requires

- 1) A copy of the front and back of the customer's credit / debit card to cover monthly rental payments and deposit to secure the container(s).
- 2) A copy of the customer's driver license for verification purposes.
- 3) Customer must also complete and sign the Denco Container LLC Credit Card Authorization Form.

Lessee authorizes Lessor to charge the following credit card (Visa, MasterCard) for all valid invoices relating to this Agreement and outstanding more than 30days.

Credit Card Type

(Please check one)

Visa	<input type="checkbox"/>
MC	<input type="checkbox"/>
	<input type="checkbox"/>

Name on Credit Card _____
(as it appears on Credit Card)

Address of Cardholder _____

City, State Zip _____

Card Number _____

Expiration Date _____

(Must be greater than 12 months from the commencement date)

24. **METHOD OF ACCEPTANCE.** Our Issuance of a Denco Container LLC Rental / Hire Agreement; to be signed, prior to the release / delivery of containers, by both the customer and only an officer of at Denco Container LLC, with a copy retained by both parties.

This Agreement shall be deemed accepted on the date signed by Lessor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement subject to the terms and conditions herein set forth. Signed by duly

Lessor

Lessee

Name/Title

Name/Title