

Agreement to Lease Health Recovery Systems Equipment

THIS AGREEMENT TO LEASE EQUIPMENT ("Lease") is made and effective _____ [Date], by and between **Health Recovery Systems Ltd** ("Lessor")

and _____ ("Lessee").

Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, certain tangible personal property.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the parties hereto agree as follows:

1. Lease.

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the following described equipment (the "Equipment"): **ALIXXOR** as per appendix 1

2. Term.

The term of this Lease shall commence on _____ and shall expire _____ weeks/months thereafter.

3. Shipping.

Lessee shall be responsible for shipping the Equipment to Lessee's premises.

4. Rent, Deposit and Purchase

A. The monthly rent for the Equipment shall be paid in advance in installments of _____ [Installment Amount] each month, beginning on _____ [Date of First Payment] and on the first day of each succeeding month throughout the term hereof, at [Address for Payments], or at such other place as Lessor may designate from time to time. Any installment payment not made by the tenth (10th) day of the month shall be considered overdue and in addition to Lessor's other remedies, Lessor may levy a late payment charge equal to one percent (10%) per month on any overdue amount. Rent for any partial month shall be prorated.

B. Lessee shall pay a deposit in the following amount prior to taking possession of the Equipment: _____ [Deposit Amount]. The deposit will be refunded to Lessee promptly following Lessee's performance of all obligations in this Lease.

C. Rental rates and purchase price are per appendix 2

5. Use.

Lessee shall use the Equipment in a careful and proper manner taking note of the precautions at the front of the manual and shall comply with and conform to all operating instructions in the manual provided.

6. Right to Lease.

LESSOR WARRANTS THAT LESSOR HAS THE RIGHT TO LEASE THE EQUIPMENT, AS PROVIDED IN THIS LEASE.

7. Repairs.

Lessor, at its own cost and expense, shall keep the Equipment in good repair, condition and working order and shall furnish any and all parts, mechanisms and devices required to keep the Equipment in good mechanical working order.

8. Loss and Damage.

A. Lessee hereby assumes and shall bear the entire risk of loss and damage to the Equipment from any and every cause whatsoever. No loss or damage to the Equipment or any part thereof shall impair any obligation of Lessee under this Lease which shall continue in full force and effect through the term of the Lease.

B. In the event of loss or damage of any kind whatever to the Equipment, Lessee shall, pay to Lessor the replacement cost of the Equipment as agreed at the beginning of the lease.

9. Surrender.

Upon the expiration or earlier termination of this Lease, Lessee shall return the Equipment to Lessor in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone excepted, by delivering the Equipment at Lessee's cost and expense to such place as Lessor shall specify within the city or county in which the same was delivered to Lessee.

10. Insurance.

Lessee shall be responsible for any insurance in relation to loss or damage of the equipment while under the terms of this lease.

11. Indemnity.

Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including reasonable attorney's fees and costs, arising out of, connected with, or resulting from Lessee's use of the Equipment, including without limitation the manufacture, selection, delivery, possession, use, operation, or return of the Equipment.

12. Default.

If Lessee fails to pay any rent or other amount herein provided within ten (10) days after the same is due and payable, or if Lessee fails to observe, keep or perform any other provision of this Lease required to be observed, kept or performed by Lessee, Lessor shall have the right to exercise any one or more of the following remedies:

A. To declare the entire amount of rent hereunder immediately due and payable without notice or demand to Lessee.

B. To sue for and recover all rents, and other payments, then accrued or thereafter accruing.

C. To take possession of the Equipment, without demand or notice, wherever same may be located, without any court order or other process of law. Lessee hereby waives any and all damages occasioned by such taking of possession.

D. To terminate this Lease.

E. To pursue any other remedy at law or in equity.

Notwithstanding any repossession or any other action which Lessor may take, Lessee shall be and remain liable for the full performance of all obligations on the part of the Lessee to be performed under this Lease. All of Lessor's remedies are cumulative, and may be exercised concurrently or separately.

13. Bankruptcy.

Neither this Lease nor any interest therein is assignable or transferable by operation of law. If any proceeding under the Bankruptcy Act, as amended, is commenced by or against the Lessee, or if the Lessee is adjudged insolvent, or if Lessee makes any assignment for the benefit of his creditors, or if a writ of attachment or execution is levied on the Equipment and is not released or satisfied within ten (10) days thereafter, or if a receiver is appointed in any proceeding or action to which the Lessee is a party with authority to take possession or control of the Equipment, Lessor shall have and may exercise any one or more of the remedies set forth in Section 14 hereof; and this Lease shall, at the option of the Lessor, without notice, immediately terminate and shall not be treated as an asset of Lessee after the exercise of said option.

14. Ownership.

The Equipment is, and shall at all times be and remain, the sole and exclusive property of Lessor; and the Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Lease.

15. Entire Agreement.

This instrument constitutes the entire agreement between the parties on the subject matter hereof and it shall not be amended, altered or changed except by a further writing signed by the parties hereto.

16. Notices.

Service of all notices under this Agreement shall be sufficient if given personally or mailed certified, return receipt requested, postage prepaid, at the address hereinafter set forth, or to such address as such party may provide in writing from time to time.

If to Lessor:

Health Recovery Systems Ltd
27 Tricketts Road, RD6 Christchurch 7676

If to Lessee:

[Lessee]

[Lessee's Address]

17. Assignment.

Lessee shall not assign this Lease or its interest in the Equipment without the prior written consent of Lessor.

18. Headings.

Headings used in this Lease are provided for convenience only and shall not be used to construe meaning or intent.

19. Governing Law.

This Lease shall be construed and enforced according to laws of New Zealand.

LESSOR:

Sign: _____; Health Recovery Systems. Date: _____

LESSEE:

Sign: _____ Print: _____ Date: _____

Appendix 1

Equipment leased.	
ALIXXOR	1
Cables	2
Power supply	1
Cylinders	2
Foot Plates	2
Socks	2
Belt	1
User Guide	1
Case	1

Appendix 2

Rental for ALIXXOR

Rental options

1. Week to week paid in advance minimum 2 weeks, rate is \$200 per week
2. For a predetermined time in excess of 4 weeks, rate is per the table below paid monthly in advance.

Weeks	\$/week	\$	Buy Price
2	200	200	3500
3	200	300	3500
4	200	400	3500
5	100	400	3500
6	100	480	3500
8	100	640	3500
12	100	960	3500
16	80	1280	3000
20	80	1600	2900
24	70	1680	2800
28	70	1960	2700
32	70	2240	2600
36	70	2520	2500
40	70	2800	2400
44	70	3080	2300
48	70	3360	2200
52	70	3640	2100

Purchase price is based upon purchase of a new machine. Contact Health Recovery Systems Ltd for pricing on the rental machine.