

ABJ Drones Equipment Lease Agreement

This Equipment Lease Agreement (the “Agreement”) is made and entered on _____, _____, by and between
ABJ Drones / ABJ LLC (“Lessor”) and
_____ (“Lessee”) (collectively referred to as
the “Parties”).

The Parties agree as follows:

1. **EQUIPMENT:** Lessor hereby Leases to Lessee the following equipment:

(the “Equipment”).

2. **LEASE TERM:** The Lease will start on _____ (begin date)
and will end on _____ (end date) (Lease Term). If the
Equipment will be needed for longer than the original Lease term, the Lessee needs to
complete and submit the Lease Extension Agreement form attached to this document.
The minimum Lease Term duration is 10 days.
3. **LEASE PAYMENTS:** Lessee agrees to pay to Lessor as rent for the Equipment the
amount of \$ _____ (“Rent”) for each day of the Lease. Leases that are extended
beyond 10 days will be billed weekly for the outstanding balance. The Lessee not
to be charged for the time that the Equipment is in transit to or from the delivery
point.
4. **LEASE DEPOSIT:** The Lessor will take a refundable deposit upfront in the
amount of \$2,500 (Two Thousand Five Hundred USD) in addition to the cost of a
10-day Lease. The deposit amount will be kept in a joint Escrow account with
ABJ’s Drones bank. The deposit amount will be disclosed to the Lessee upfront
prior to the Lease agreement.
5. **LEASE TO BUY OPTION:** 60% of the value of Lease payments made (excluding
taxes and fees) will go towards an option to buy the Equipment should the Lessee
decide to buy that exact item. The accumulated value of the Lease payments made
will be deducted from the full non-depreciated retail price to determine the purchase
price. Example: an item Leased for 10 days at \$100/day will earn you \$600 in credit
towards the purchase of that specific item. If an item is returned to the Lessor, the
Lease is immediately terminated, and the Lessee forfeits any credits accumulated
towards the purchase of that particular item. If the Lessee decides to exchange the
Leased product for a similar model, the Lessee must contact the Lessor prior to the

termination of the Lease so that a replacement could be arranged. Under no obligation, the Lessor may let the Lessee apply an accumulated credit to a similar model at the Lessor's discretion. If the Lessee decides to buy an item that was previously used when the Equipment was delivered, the Lessee will receive a 3% discount off the retail price in addition to any credits accumulated. The Lessor will occasionally conduct testing of equipment to verify functionality before shipping products. The Lessor's testing process does not render an item "used."

6. **SHIPMENT OF GOODS:** Shipping costs both ways will be paid by the Lessee. Expedited shipping will be an extra cost and will be calculated at the time of the agreement. If other accessories or items are needed, an additional shipping charge may apply. The Lessee will not be charged for the time that an item is in transit to or from the delivery point.
7. **POSSESSION AND SURRENDER OF EQUIPMENT:** Lessee shall be entitled to possession of the Equipment on the first day of the Lease Term. At the expiration of the Lease Term, Lessee shall surrender the Equipment to Lessor by delivering the Equipment to Lessor or Lessor's agent in the same condition that it arrived in and in working order.
8. **USE OF EQUIPMENT:** By signing the Lease agreement, the Lessee is agreeing to use the equipment safely, while complying with all federal, local and FAA rules. The Lessee also agrees that they are fully licensed and are able to use the equipment competently. Any damage to the equipment is the sole responsibility of the Lessee. All equipment must be returned to the Lessor in the same packaging that it arrived in. All accessories included screws, mounting brackets, dampers, etc. must be returned to the Lessor at the termination of the Lease. Missing or damaged Equipment or accessories will result in additional fees payable by the Lessee to the Lessor.
9. **CONDITION OF EQUIPMENT AND REPAIR:** Lessee or Lessee's agent has inspected the Equipment and acknowledges that the Equipment is in good and acceptable condition. If the equipment is not functioning properly or does not meet the rental specification – the Lessee must inform Lessor within 24 hours of the receipt.
10. **MAINTENANCE, DAMAGE AND LOSS:** Lessee will, at Lessee's sole expense, keep and maintain the Equipment in clean and good working order and repair during the Lease Term. In the event the Equipment is lost or damaged beyond repair, Lessee shall pay to Lessor the replacement cost of the Equipment; in addition, the obligations of this Agreement shall continue in full force and effect through the Lease Term.
11. **INSURANCE:** Lessee shall be responsible to maintain liability insurance on the Equipment with losses payable to Lessor against fire, theft, collision, and other such risks as are appropriate and specified by Lessor. Lessee will buy yearly Insurance from ABJ Drones Rental Program Insurance to cover the property loss in case such an event happens. ALL liability is the responsibility of the Lessee and ABJ Drones does not have any liability to the Lessee or the use of the ABJ products by the Lessee.

12. **ENCUMBRANCES, TAXES AND OTHER LAWS:** Lessee shall keep the Equipment free and clear of any liens or other encumbrances, and shall not permit any act where Lessor's title or rights may be negatively affected. Lessee shall be responsible for complying with and conforming to all laws and regulations relating to the possession, use or maintenance of the Equipment. Furthermore, Lessee shall promptly pay all taxes, fees, licenses and governmental charges, together with any penalties or interest thereon, relating to the possession, use or maintenance of the Equipment. ABJ Drones will include appropriate sales tax on its invoice.
13. **LESSORS REPRESENTATIONS:** Lessor represents and warrants that he/she has the right to Lease the Equipment as provided in this Agreement and that the Lessee shall be entitled to quietly hold and possess the Equipment, and Lessor will not interfere with that right as long as Lessee pays the Rent in a timely manner and performs all other obligations under this Agreement.
14. **OWNERSHIP:** The Equipment is and shall remain the exclusive property of Lessor/ABJ Drones.
15. **SEVERABILITY:** If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.
16. **ASSIGNMENT:** Neither this Agreement nor Lessee's rights hereunder are assignable except with Lessor's prior, written consent.
17. **BINDING EFFECT:** The covenants and conditions contained in the Agreement shall apply to and bind the Parties and the heirs, legal representatives, successors and permitted assigns of the Parties.
18. **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.
19. **NOTICE:** Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service to:

Lessor:

Lessee:

Vip Jain, CEO
2661 Route 130, Cranbury, NJ 08512
vip@ABJDrones.com / 888-225-1931

Either party may change such addresses from time to time by providing notice as set forth above.

13. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in writing and must be signed by both the Lessor and Lessee.

14. CUMULATIVE RIGHTS: Lessor's and Lessee's rights under this Agreement are cumulative, and shall not be construed as exclusive of each other unless otherwise required by law.

15. WAIVER: The failure of either party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. The acceptance of rent by Lessor does not waive Lessor's right to enforce any provisions of this Agreement.

16. INDEMNIFICATION: Except for damages, claims or losses due to Lessor's acts or negligence, Lessee, to the extent permitted by law, will indemnify and hold Lessor and Lessor's property, free and harmless from any liability for losses, claims, injury to or death of any person, including Lessee, or for damage to property arising from Lessee using and possessing the Equipment or from the acts or omissions of any person or persons, including Lessee, using or possessing the Equipment with Lessee's express or implied consent.

17. ADDITIONAL TERMS & CONDITIONS (Specify "none" if there are no additional provisions)

Lessor will provide copies of Part 107 UAS license, FAA 333 Exemption (if applicable), Insurance and a US Government Issued ID.

IN WITNESS, WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

LESSOR:

(Name)

(Position, if applicable)

LESSEE:

(Name)

(Position, if applicable)