

EQUIPMENT RENTAL AGREEMENT

THIS EQUIPMENT RENTAL AGREEMENT (this "Agreement") dated this _____
day of _____, _____

BETWEEN:

Costas Inc. of 2770 South Maryland Parkway suite 211, Las Vegas, Nevada, 89109

(the "Lessor")

OF THE FIRST PART

- AND -

_____ of _____,

_____, Alabama, _____

(the "Lessee")

OF THE SECOND PART

(the Lessor and Lessee are collectively the "Parties")

IN CONSIDERATION OF the mutual covenants and promises in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Lessor leases the Equipment to the Lessee, and the Lessee leases the Equipment from the Lessor on the following terms:

Definitions

1. The following definitions are used but not otherwise defined in this Agreement:

- a. "Casualty Value" means the market value of the Equipment at the end of the Term or when in relation to a Total Loss, the market value the Equipment would have had at the end of the Term but for the Total Loss. The Casualty Value may be less than but will not be more than the original purchase price of the Equipment.
- b. "Equipment" means 1 CMS Technology BTM in store customer loyalty kiosk which has an approximate value of \$25,000.00.
- c. "Total Loss" means any loss or damage that is not repairable or that would cost more to repair than the market value of the Equipment.

Lease

2. The Lessor agrees to lease the Equipment to the Lessee, and the Lessee agrees to lease the Equipment from the Lessor in accordance with the terms set out in this Agreement.

Term

3. The Agreement commences on January 4, 2018 and will continue on a month-to-month basis (the "Term").

Rent and Deposit

4. The rent will be paid in installments of \$985.00 each month, in advance, beginning on February 1, 2018 and will be paid on the 1st day of each succeeding month throughout the Term (the "Rent").
5. The Lessee will pay a deposit of \$1,000.00 (the "Deposit") before taking possession of the Equipment. The Lessor will refund the Deposit to the Lessee at the end of the Term provided that the Lessee has performed all of the Lessee's obligations under this Agreement.

Residual Value

6. The residual value (the "Residual Value") of the equipment is \$1.00.

Purchasing the Equipment

7. The Lessee has the option to purchase the Equipment at the end of the Term by paying the following amounts:
 - a. the Residual Value of the Equipment; and
 - b. any fees, taxes, and expenses related to the purchase of the Equipment.
8. After the Lessee has paid all of the costs and fees associated with purchasing the Equipment, the Lessor will return the following amounts, or the remaining portions of these amounts, to the Lessee:
 - a. the Deposit; and

- b. any money received from an insurance claim or action that is not used to repair or replace the Equipment.

Use of Equipment

9. The Lessee will use the Equipment in a good and careful manner and will comply with all of the manufacturer's requirements and recommendations respecting the Equipment and with any applicable law, whether local, state or federal respecting the use of the Equipment, including, but not limited to, environmental and copyright law.
10. The Lessee will use the Equipment for the purpose for which it was designed and not for any other purpose.
11. Unless the Lessee obtains the prior written consent of the Lessor, the Lessee will not alter, modify or attach anything to the Equipment unless the alteration, modification or attachment is easily removable without damaging the functional capabilities or economic value of the Equipment.

Warranties

12. The Equipment will be in good working order and good condition upon delivery.
13. The Equipment is of merchantable quality and is fit for the following purpose: To be used in conjunction with the Authentatrade in-store customer loyalty system.

Loss and Damage

14. To the extent permitted by law, the Lessee will be responsible for risk of loss, theft, damage or destruction to the Equipment from any and every cause.
15. If the Equipment is lost or damaged, the Lessee will continue paying Rent, will provide the Lessor with prompt written notice of such loss or damage and will, if the Equipment is repairable, put or cause the Equipment to be put in a state of good repair, appearance and condition.
16. In the event of Total Loss of the Equipment, the Lessee will provide the Lessor with prompt written notice of such loss and will pay to the Lessor all unpaid Rent for the Term plus the Casualty Value of the Equipment, at which point ownership of the Equipment passes to the Lessee.

Ownership, Right to Lease and Quiet Enjoyment

17. The Equipment is the property of the Lessor and will remain the property of the Lessor.
18. The Lessee will not encumber the Equipment or allow the Equipment to be encumbered or pledge the Equipment as security in any manner.
19. The Lessor warrants that the Lessor has the right to lease the Equipment according to the terms in this Agreement.
20. The Lessor warrants that as long as no Event of Default has occurred, the Lessor will not disturb the Lessee's quiet and peaceful possession of the Equipment or the Lessee's unrestricted use of the Equipment for the purpose for which the Equipment was designed.

Insurance

21. The Lessee will, during the whole of the Term and for as long as the Lessee has possession of the Equipment, take out, maintain and pay for insurance against loss of and damage to the Equipment for the full replacement value of the Equipment and will name the Lessor as the loss payee.
22. The Lessee will, during the whole of the Term and for as long as the Lessee has possession of the Equipment, take out, maintain and pay for comprehensive general liability insurance against claims for bodily injury, including death, and property damage or loss arising out of the use of the Equipment. The insurance policy will have limits of at least \$25,000.00.
23. The insurance will be in the joint name of the Lessor and the Lessee so that both the Lessor and the Lessee will be protected from liability and will provide primary and non-contributing coverage for the Lessor. The insurance policy will have a provision that it will not be modified or cancelled unless the insurer provides the Lessor with thirty (30) days written notice stating when such modification or cancellation will be effective.
24. Upon written demand by the Lessor, the Lessee will provide the Lessor with an original policy or certificate evidencing such insurance.
25. The Lessee appoints the Lessor as the Lessee's attorney-in-fact ("Attorney") with the power to maintain the above insurance and to secure payments arising out of any insurance policy required

by this Agreement. The Attorney has the power to do all acts that are necessary or desirable to secure such payments.

26. If the Lessee fails to maintain and pay for such insurance, the Lessor may, but is not obligated to, obtain such insurance, but if the Lessor does obtain such insurance, the Lessee will pay to the Lessor the cost of such insurance upon notification from the Lessor of the amount.

Default

27. The occurrence of any one or more of the following events will constitute an event of default ("Event of Default") under this Agreement:
- a. The Lessee fails to pay any amount provided for in this Agreement when such amount is due or otherwise breaches the Lessee's obligations under this Agreement.
 - b. The Lessee becomes insolvent or makes an assignment of rights or property for the benefit of creditors or files for or has bankruptcy proceedings instituted against it under the Federal bankruptcy law of the United States or other competent jurisdiction.
 - c. A writ of attachment or execution is levied on the Equipment and is not released or satisfied within 10 days.

Remedies

28. On the occurrence of an Event of Default, the Lessor will be entitled to pursue any one or more of the following remedies (the "Remedies"):
- a. Declare the entire amount of the Rent for the Term immediately due and payable without notice or demand to the Lessee.
 - b. Apply the Deposit toward any amount owing to the Lessor.
 - c. Commence legal proceedings to recover the Rent and other obligations accrued before and after the Event of Default.

- d. Take possession of the Equipment, without demand or notice, wherever same may be located, without any court order or other process of law. The Lessee waives any and all damage occasioned by such taking of possession.
- e. Terminate this Agreement immediately upon written notice to the Lessee.
- f. Pursue any other remedy available in law or equity.

Assignment

- 29. THE LESSEE WILL NOT ASSIGN THIS AGREEMENT, THE LESSEE'S INTEREST IN THIS AGREEMENT OR THE LESSEE'S INTEREST IN THE EQUIPMENT WITHOUT THE PRIOR WRITTEN CONSENT OF THE LESSOR.
- 30. If the Lessee assigns this Agreement, the Lessee's interest in this Agreement or the Lessee's interest in the Equipment without the prior written consent of the Lessor, the Lessor will have recourse to the Remedies and will be entitled to all damages caused by the transfer to the extent that the damages could not reasonably be prevented by the Lessor.

Address for Notice

- 31. Service of all notices under this Agreement will be delivered personally or sent by registered mail or courier to the following addresses:

Lessor: Costas Inc., 2770 South Maryland Parkway suite 211, Las Vegas, Nevada, 89109

Lessee: _____,
 _____, Alabama, _____

Interest

- 32. Interest payable on any overdue amounts under this Agreement will be at a rate of 10.00 percent per annum or at the maximum rate allowed under applicable legislation, whichever is lower.

Governing Law

- 33. It is the intention of the Parties to this Agreement that this Agreement and the performance under this Agreement, and all suits and special proceedings under this Agreement, be construed in

accordance with and governed, to the exclusion of the law of any other forum, by the laws of the State of Alabama (the "State"), without regard to the jurisdiction in which any action or special proceeding may be instituted.

General Terms

- 34. This Agreement may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

- 35. Time is of the essence in this Agreement.

- 36. This Agreement will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns, as the case may be, of each Party to this Agreement.

- 37. Neither Party will be liable in damages or have the right to terminate this Agreement for any delay or default in performance if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God, Government restrictions, wars, insurrections, natural disasters, such as earthquakes, hurricanes or floods and/or any other cause beyond the reasonable control of the Party whose performance is affected.

Notice to Lessee

- 38. **NOTICE TO THE LESSEE:** This is a lease. You are not buying the Equipment. Do not sign this Lease before you read it. You are entitled to a completed copy of this Agreement when you sign it.

IN WITNESS WHEREOF the parties to this Agreement have executed this Equipment Rental Agreement on this _____ day of _____, _____.

Costas Inc.

(Witness)

Per: _____ (c/s)

(Witness)

(Lessee)