

<b>UNITED STATES BANKRUPTCY COURT</b> For the District of Delaware		<b>PROOF OF CLAIM</b>
In re <b>Head Distributing Company</b>		Case Number <b>03-10963 (MFW)</b>
NOTE: This claim should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Creditor Name (Person or entity debtor owes) <b>General Electric Capital Corporation</b> Address Line 1 <b>c/o Adam M. Spence, Esquire</b> Address Line 2 <b>The Law Offices of Adam M. Spence P C</b> Address Line 3 <b>105 W Chesapeake Avenue, Suite 400</b> City <b>Baltimore, MD 21204</b> ST ZIP <b>Baltimore, MD 21204</b>		<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach Copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input checked="" type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.
ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR <b>6856459-001</b>		<input type="checkbox"/> replaces a previously filed claim dated _____ <input type="checkbox"/> amends
1 BASIS FOR CLAIM <input type="checkbox"/> Goods sold <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Services performed <input type="checkbox"/> Taxes <input type="checkbox"/> Wages salaries and compensation (Fill out below) Your social security No _____ <input type="checkbox"/> Money loaned <input checked="" type="checkbox"/> Other (Describe Briefly) <b>Equipment Lease</b> Unpaid compensation for services performed from _____ to _____ (date)		2 Date Debt Incurred (MMDDYY) <div style="border: 1px solid black; padding: 5px; text-align: center;">3/31/03</div> 3 If Court Judgment Date Obtained <div style="border: 1px solid black; height: 20px;"></div>
4 CLASSIFICATION OF CLAIM Under the Bankruptcy Code all claims are classified as one or more of the following (1) Unsecured nonpriority (2) Unsecured Priority (3) Secured. It is possible for part of a claim to be in one category and part in another. CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM AT TIME CASE FILED. <b>** SEE ATTACHED ADDENDUM TO PROOF OF CLAIM **</b>		
<input checked="" type="checkbox"/> <b>SECURED CLAIM</b> Attach evidence of perfection of security interest. Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other (Describe briefly) Amount of arrearage and other charges at time case filed included in secured claim above if any \$ <b>To be determined</b>		<input type="checkbox"/> <b>UNSECURED PRIORITY CLAIM</b> Specify the priority of the claim: <input type="checkbox"/> Wages salaries or commissions (up to \$4300) earned not more than 90 days before filing of the bankruptcy petition or cessation of the debtor's business whichever is earlier 11 U.S.C. § 507(a)(5) <input type="checkbox"/> Contributions to an employee benefit plan 11 U.S.C. § 507(a)(4) <input type="checkbox"/> Up to \$1,950 of deposits toward purchase lease or rental of property or services for personal family or household use 11 U.S.C. § 507(a)(6) <input type="checkbox"/> Taxes or penalties of governmental units 11 U.S.C. § 507(a)(7) <input type="checkbox"/> Other Specify applicable paragraph of 11 U.S.C. § 507(a) _____
5 AMOUNT OF CLAIM AT TIME CASE FILED <b>** SEE ATTACHED ADDENDUM TO PROOF OF CLAIM **</b>		
<div style="border: 1px solid black; padding: 5px; width: 150px; margin: 0 auto;">\$ 20,301.05</div> (Secured)	<div style="border: 1px solid black; padding: 5px; width: 150px; margin: 0 auto;">\$ 20,301.05</div> (Unsecured Nonpriority)	<div style="border: 1px solid black; padding: 5px; width: 150px; margin: 0 auto;"></div> (Unsecured Priority)
<input checked="" type="checkbox"/> Check this box if claim includes charges in addition to the principal amount of the claim. Attach itemized statement of all additional charges.		
6 CREDITS AND SETOFFS The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. In filing this claim claimant has deducted all amounts that claimant owes to debtor.		THIS SPACE IS FOR COURT USE ONLY  <div style="font-size: 2em; font-weight: bold; margin-bottom: 10px;">FILED</div> <div style="font-size: 1.2em; font-weight: bold; margin-bottom: 10px;">JUN 26 2003</div> <div style="font-size: 2em; font-weight: bold; margin-bottom: 10px;">BMC</div> <div style="font-size: 0.8em; margin-bottom: 10px;">Filing Companies Claim</div> <div style="font-size: 0.6em; margin-bottom: 10px;">01185</div> <div style="font-size: 1.5em; font-weight: bold;">1185</div>
7 SUPPORTING DOCUMENTS Attach copies of supporting documents such as promissory notes purchase orders invoices itemized statements of running accounts contracts court judgments or evidence of security interests. If the documents are not available explain. If the documents are voluminous attach a summary.		
8 TIME STAMPED COPY To receive an acknowledgment of the filing of your claim, enclosed a stamped, self-addressed envelope and copy of this proof of claim.		
Date <b>6/24/03</b>	Sign and print the name and title if any of the creditor or other person authorized to file this claim (attach copy of power of attorney if any) <b>Adam M. Spence, Esq., Leasing Counsel</b>	

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

<b>IN RE.</b>	)	
	)	<b>Case No 03-10963 (MFW)</b>
	)	
<b>HEAD DISTRIBUTING COMPANY,</b>	)	<b>Chapter 11</b>
	)	
<b>Debtors</b>	)	

**ADDENDUM TO PROOF OF CLAIM**  
**(General Electric Capital Corporation Lease No 6856459-001)**

General Electric Capital Corporation (“GECC”) for its Addendum to its Proof of Claim states as follows

1 On or about January 13, 2000, Head Distributing Company, Inc (‘ Head Distributing” or ‘Debtor”) entered into that certain Equipment Lease (GECC Lease No 6856459-001) with General Electric Capital Corporation for the lease of one (1) Canon CLC1150 with serial number NNC00287 and Colorpass V-55, among other accessories, (the “Equipment”) A copy of the Lease and an Invoice detailing the Equipment are cumulatively attached as Exhibit 1

2 Pursuant to the Lease, Debtor agreed to make 48 monthly payments of \$1 272 72, plus applicable taxes, insurance and other charges to GECC

3 The Lease is an unexpired lease of personal property as contemplated by 11 U S C §365

4 When and if the Lease is rejected, pursuant to 11 U S C 502(g), as of the petition date, GECC s unsecured non-priority claim resulting from Debtor’s rejection of the Lease is for the amount of \$20,301 05, all as more fully set forth on the Balance Due Summary attached as Exhibit 2

5 A portion of this \$20,301.05 claim may be entitled to administrative priority claim treatment pursuant to 11 U.S.C. §§ 503(b)(1)(A) and 507(a).

6 Alternatively, if the Lease is treated as a security lease, then GECC has a secured claim for the amount of \$20,301.05 plus legal fees incurred in this matter and interest, secured by the leased equipment more particularly described in the Lease.

7 GECC reserves its right to assert any and all administrative claims it has or may hereafter have against the Debtor relating to the Lease. GECC further reserves its right to assert any and all claims, whether administrative or otherwise arising in connection with the assumption or rejection of the Lease.

8 To the best of GECC's knowledge, GECC's claims are not subject to any set-offs or other reduction, except for payments that may have been made by Debtor after the date hereof.



GE Capital

# Equipment Lease Agreement

Agreement # 6856459-001

TLD

SUPPLIER Georgia Duplicating Products  
 790 Atlanta South Parkway Ste #200  
 College Park, GA 30349

LESSEE Head Distributing Company, Inc  
 4820 North Church Lane  
 Smyrna, GA 30080 Cobb

Quantity	Equipment Model & Description	Serial Number
<u>1</u>	<u>CANON CLC1150</u>	<u>NNC.05287</u>
<u>1</u>	<u>Colorpass V55</u>	<u>F00026838</u>
<u>1</u>	<u>Document Feeder</u>	
<u>1</u>	<u>Sorter/Stapler</u>	

See attached schedule for additional equipment

**TRANSACTION TERMS**  
 RENT \$ 1,272.32 (plus applicable taxes) LEASE TERM 48  
 PAYABLE (check one)  Monthly  Other \_\_\_\_\_  
 PURCHASE OPTION AT END OF LEASE TERM  Fair Market Value  
 Equipment Location (if different from Lessee address above) \_\_\_\_\_  
 Lessee Contact/Telephone MIKE SCALERA - 404/792-4333

ADVANCE RENT \$ 2,672.71 (plus applicable taxes)  
 SECURITY DEPOSIT \$ \_\_\_\_\_

We have written this Lease in plain language because we want you to understand its terms. Please read your copy of this Lease carefully and feel free to ask us any questions you may have. The words "you" and "your" mean the Lessee named above. The words "we", "us" and "our" refer to the Lessor named below.

**IMPORTANT READ BEFORE SIGNING** THE TERMS OF THIS LEASE (INCLUDING THOSE ON THE REVERSE SIDE) SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN LEASE MAY NOT BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS LEASE ONLY BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS LEASE. THIS LEASE IS NOT CANCELABLE. YOU AGREE THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

YOU CERTIFY THAT ALL THE INFORMATION GIVEN IN THIS LEASE AND YOUR APPLICATION WAS CORRECT AND COMPLETE WHEN THIS LEASE WAS SIGNED. THIS LEASE IS NOT BINDING UPON US OR EFFECTIVE UNTIL AND UNLESS WE EXECUTE THIS LEASE. THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF MISSOURI. YOU AGREE TO THE JURISDICTION AND VENUE OF FEDERAL COURTS IN MISSOURI AND STATE COURTS IN RANDOLPH COUNTY, MISSOURI.

ACCEPTED BY  
 LESSOR GENERAL ELECTRIC CAPITAL CORPORATION  
 1961 First Drive, Moberly, MO 65270

PROPOSED BY  
 LESSEE Head Distributing Company  
 Mike Scaler  
 Mike Scaler - C.F.O.

DATE 1-13-2000 DATE 12/8/99 FED TAX ID# \_\_\_\_\_

**UNCONDITIONAL GUARANTY**

In consideration of Lessor entering into the above Lease in reliance on this guaranty, the undersigned, together and separately, unconditionally and irrevocably guarantee to Lessor, its successors and assigns, the prompt payment and performance of all obligations under this lease. We agree that (a) this is a guaranty of payment and not of collection and that Lessor can proceed directly against us without disposing of any security or seeking to collect from Lessee; (b) we waive all defenses and notices, including those of protest, presentment and demand; (c) Lessor may renew, extend or otherwise change the terms of the Lease without notice to us and we will be bound by such changes; and (d) we will pay all of Lessor's costs of enforcement and collection. This guaranty survives the bankruptcy of Lessee and binds our administrators, successors and assigns. Our obligations under this guaranty continue even if Lessee becomes insolvent or bankrupt or is discharged from bankruptcy and we agree not to seek to be repaid by Lessee in the event we must pay Lessor. THIS GUARANTY WILL BE GOVERNED BY THE SAME STATE LAW AS THE LEASE. WE AGREE TO JURISDICTION AND VENUE IN THE STATE AND FEDERAL COURTS IN THE SAME STATE AND COUNTY.

**PERSONAL PERSONAL**

By \_\_\_\_\_, individually By \_\_\_\_\_, individually  
 Address \_\_\_\_\_ Address \_\_\_\_\_  
 Social Security Number \_\_\_\_\_ Social Security Number \_\_\_\_\_  
 Witness \_\_\_\_\_ Witness \_\_\_\_\_

GE236 (5/00)

TERMS AND CONDITIONS

1. LEASE Subject to the terms of this Lease, you agree to lease from us the Equipment described on the reverse side when we accept this Lease at our office in Madison. **ONCE WE ACCEPT THIS LEASE YOU MAY NOT CANCEL IT DURING THE FULL LEASE TERM.** You agree to be bound by all the terms of this Lease.

2. DELIVERY AND ACCEPTANCE OF EQUIPMENT Acceptance of the Equipment occurs upon delivery. When you receive the Equipment, you agree to inspect it and to verify by telephone or in writing such information as we may require. Delivery and installation costs are your responsibility. If you signed a purchase contract for the Equipment, by signing this Lease, you assign your rights, but none of your obligations under it, to us.

3. RENT You agree to pay us Rent (plus applicable taxes) when each payment is due. If your Rent payments are due in Advance, your first Rent payment is due on the date you accept the Equipment. We will advise you as to (a) the due date of each Rent payment and (b) the address to which you must send your payments. Rent is due whether or not you receive an invoice from us. You will pay us any required Advance Rent or Security Deposits when you sign this Lease. Security Deposits and Advance Rents may be commingled and do not earn interest. Provided you are not in default, we may apply your Security Deposit to the last Rent payment or to your purchase option or we may refund the Security Deposit to you when the Lease Term ends and the Equipment is returned in accordance with Section 15. If we collect more than one payment as Advance Rent, we may apply such Advance Rent to the last Rent payment. You authorize us to change the Rent by not more than 15% due to changes in the Equipment configuration which may occur prior to our acceptance of this Lease. Rent and use taxes will be added to the Rent. Rent and use taxes will be added to the Rent.

4. UNCONDITIONAL OBLIGATION. YOU AGREE THAT YOU ARE UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE FOR THE FULL LEASE TERM EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED IF IT IS DEFECTIVE OR IF YOU HAVE TEMPORARY OR PERMANENT LOSS OF ITS USE. YOU ARE NOT ENTITLED TO REDUCE OR SET OFF AGAINST RENT FOR OTHER AMOUNTS DUE UNDER THIS LEASE FOR ANY REASON WHATSOEVER.

5. DISCLAIMER OF WARRANTIES. THE EQUIPMENT IS BEING LEASED TO YOU IN AS-IS CONDITION. NO INDIVIDUAL IS AUTHORIZED TO CHANGE ANY PROVISIONS OF THIS LEASE. YOU AGREE THAT WE HAVE NOT MANUFACTURED THE EQUIPMENT AND THAT YOU HAVE SELECTED THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. YOU HAVE NOT RELIED ON ANY STATEMENTS OF US OR OUR EMPLOYEES HAVE MADE. WE HAVE NOT MADE AND DO NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. You are aware of the name of the Equipment manufacturer and you will contact the manufacturer for a description of your warranty rights. Provided you are not in default under this Lease, you may enforce all warranty rights directly against the manufacturer of the Equipment. You agree to settle any dispute you may have regarding performance of the Equipment directly with the manufacturer of the Equipment.

6. TITLE AND SECURITY INTEREST The Equipment is and shall remain our sole property during the Lease Term. Unless you are in default under this Lease, you shall have the right to peacefully possess and use the Equipment during the Lease Term. You hereby accept us (or our agent) as your true and lawful attorney-in-fact to affix your signature to UCC financing statements prepared and filed on your behalf by us (or our agent) with the same force and effect as if you had signed such financing statements. If we request, you agree to sign financing statements in order for us to publicly record our security interest. This Lease or a copy of this Lease shall be sufficient as a financing statement and may be filed as such.

7. USE, MAINTENANCE AND REPAIR You will not move the Equipment from the Equipment Location without our advance written consent. You will give us reasonable access to the Equipment Location so that we can check the Equipment's condition and proper maintenance. You will use the Equipment in the manner for which it was intended as required by all applicable manuals and instructions and keep it eligible for any manufacturer's certification and/or standard, full service maintenance contract. At your own cost and expense, you will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. All replacement parts and repairs will become our property. You will not make any permanent alterations to the Equipment.

8. TAXES. You agree that you will pay us, when invoiced, all taxes (including any sales, use and personal property taxes) fines, interest and penalties relating to this Lease and the Equipment (excluding taxes based on our net income). You will (a) either (1) reimburse us annually for all personal property taxes which we may be required to pay as the owner of the Equipment, or (2) to remit to us each month our estimate of the monthly equivalent of the annual personal property taxes assessed (b) to pay us for the loss of any income tax benefits caused by your actions, and (c) should an increase in the federal corporate income tax rate or a change in the accelerated cost recovery deductions allowed by the Internal Revenue Code of 1986 as amended, adversely affect our after tax earnings or cash flows, we may increase the Rent and other amounts due under this Lease to offset any such adverse effect.

9. INDEMNITY We are not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by you or any other person caused by the transportation, installation, maintenance, operation, use, possession, modification, maintenance, condition, operation, use, return or disposition of the Equipment. You agree to reimburse us for and defend us against any claims for such losses, damages, penalties, claims, injuries, or expenses. This obligation continues even after this Lease has expired for acts or omissions which occurred during the Lease Term.

10. IDENTIFICATION You authorize us to insert or correct missing information on this Lease, including your official name, serial numbers and any other information describing the Equipment. We will send you copies of such changes. You will attach to the Equipment any name plates or stickers we provide you.

11. LOSS OR DAMAGE. You are responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is shipped to you until it is returned to us. If any item of Equipment is lost, stolen or damaged, you will promptly notify us of such event. Then, at our option, you will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay us an amount equal to our reasonable estimate of the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If you have satisfied your obligations under this Section 11, we will file, and you may insure, proceeds which we receive for lost, damaged or destroyed Equipment. If you are in default, we will apply any insurance proceeds we receive to reduce your obligations under Section 14 of this Lease.

12. INSURANCE. You agree to (a) keep the Equipment fully insured against loss, naming us as loss payee, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than \$1,000,000 per occurrence, naming us as additional insured, until you have met all of your obligations under this Lease. We are under no duty to tell you if your insurance coverage is adequate. The policies shall state that we are to be notified of any proposed cancellation at least 15 days prior to the date set for cancellation. Upon our request, you agree to provide us with certificates or other evidence of insurance acceptable to us. If you do not provide us with evidence of proper insurance within 10 days of our request or we receive notice of policy cancellation, we may (but we are not obligated to) obtain insurance on our behalf on the Equipment at your expense. You will pay all insurance premiums and related charges.

13. DEFAULT You will be in default under this Lease if any of the following happens: (a) we do not receive any Rent or other payment due hereunder within 10 days after its due date, or (b) you or any of your guarantors become insolvent, are declared or dissolved, merge, transfer substantially all stock or assets, stop doing business, or assign rights or property for the benefit of creditors, or (c) a petition is filed by or against you or any of your guarantors under any bankruptcy or insolvency law, or (d) you or any of your guarantors die, or have a guardian appointed, or (e) any promise made in this Lease or any guaranty and do not correct the default within 30 days after we send you written notice of the default, or (f) you default on any other agreement between you and us (or our affiliates).

14. REMEDIES. Upon the occurrence of a default, we may, in our sole discretion, do any or all of the following: (a) provide written notice to you of default, (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable the present value of (i) any and all amounts which may be then due and payable by you to us under this Lease, plus (ii) all Rent payments remaining through the end of the Lease Term plus (iii) an amount equal to our reasonable estimate of the fair market value of the equipment as of the end of the Lease Term, all discounted at the higher of 6% or the lowest rate allowed by law (collectively the "Net Book Value"). We have the right to require you to make the Equipment available to us for re-lease during reasonable business hours or we may repossess the Equipment, so long as we do not breach this Lease in doing so, or we may use legal process in compliance with applicable law pursuant to court order to have the Equipment repossessed. You will not make any claims against us or the Equipment for trespass, damage or any other reason, if we take possession of the Equipment we may (a) sell or lease the Equipment at public or private sale or (b) exercise such other rights as may be allowed by applicable law. Although you agree that we have no obligation to sell the Equipment, if we do sell the Equipment, we will reduce the Net Book Value by the amount we receive. You will immediately pay us the remaining Net Book Value. You agree that we only need to give you 10 days advance notice of any sale and no notice of advertising, (b) to pay all of the costs we incur to enforce our rights against you, including attorney's fees, and (c) that we will retain all rights against you even if we do not choose to enforce them at the time of your default.

15. YOUR OPTIONS AT END OF LEASE. At least thirty (30) days prior to the expiration of the Lease Term or any Renewal Term (as such term is defined below), you shall give us written notice of your intention at the end of the Lease Term or Renewal Term to either (a) purchase all but not less than all of the Equipment for the fair market value of the Equipment, as determined by us in our reasonable judgment (plus any applicable taxes) or (b) return the Equipment to us in accordance with Section 16. If you fail to provide us with such 30 day prior written notice or having notified us, you fail to return the Equipment in accordance with Section 15, the term of this Lease shall automatically renew for an additional term of three (3) months. If you do not exercise your purchase option, we reserve the right to limit the number of Renewal Terms available to you. If you elect to purchase the Equipment, you must pay the purchase price including all applicable taxes. We will transfer the Equipment to you AS-IS WHERE IS WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, express or implied.

16. RETURN OF EQUIPMENT. If (a) a default occurs (b) you do not purchase the Equipment at the end of the Lease Term, or (c) you do not extend the Lease Term, you will immediately return the Equipment to any location(s) and aboard any aircraft we may designate in the continental United States. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7 and in "Average Saleable Condition." Average Saleable Condition means that all of the Equipment is immediately available for use by a third party buyer (other than yourself) without the need for any repair or refurbishment. The Equipment must be free of markings. You will pay us for any missing or defective parts or accessories. You will continue to pay Rent until the Equipment is received and accepted by us.

17. YOUR REPRESENTATIONS. You state for our benefit that as of the date of this Lease (a) you have the lawful power and authority to enter into this Lease, (b) the individuals signing this Lease have been duly authorized to do so on your behalf, (c) by entering into this Lease you will not violate any law or other agreement to which you are a party, (d) you are not aware of anything that will have a material negative effect on your ability to satisfy your obligations under this Lease, and (e) the financial information you have provided us is true and accurate and provides a good representation of your financial condition.

18. YOUR PROMISES. In addition to the other provisions of this Lease, you agree that during the term of this Lease (a) you will promptly notify us in writing if you move your principal place of business, if you change the name of your business, if there is a change in your ownership, (b) you will provide to us such financial information as we may reasonably request from time to time, and (c) you will take any action we reasonably request to protect our rights in the Equipment and to meet your obligations under this Lease.

19. ASSIGNMENT YOU WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT. You will not attach to the Equipment to any real estate. Upon our reasonable request and at your cost, you will get each person with an interest in the real estate where the Equipment is located to waive any rights they may have in the Equipment. We will not allow you to sell, assign or transfer this Lease and our interests in the Equipment. You agree that if we do so, the new owner (and any subsequent owners) will have the same rights and benefits that we now have, but will not have to perform any of our obligations. You agree that the rights of the new owner will not be subject to any claims, defenses or set-offs that you may have against us. However, any such assignment, sale or transfer of this Lease or the Equipment will not relieve us of any obligations we may have to you under this Lease. If you give a good notice of a new owner of this Lease, you may have against us. However, any such assignment, sale or transfer of this Lease or the Equipment will not relieve us of any obligations we may have to you under this Lease.

20. COLLECTION EXPENSES OVERDUE PAYMENT TERMINATION. You agree that we can, but do not have to, take on your behalf any action which you fail to take as required by this Lease, and our expenses will be in addition to the amount which you owe us. We may charge you a late charge to cover our collection costs equal to the higher of 10% of any late payment or \$22, but not more than the highest legal rate. To the extent allowed by law, any late payment or non payment of any past due amount will accrue interest at the lower of 18% per annum or the highest legal rate from the due date until paid. If you so request and we permit the early termination of this Lease, you agree to pay a fee for such privilege.

21. COMPLIANCE WITH LAWS. You understand that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing this Lease, you acknowledge that you have chosen to lease the Equipment from us for the lease term and that you have agreed to pay Rent.

22. MISCELLANEOUS. This Lease contains our entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. TIME IS OF THE ESSENCE IN THIS LEASE. If a court finds any provision in this Lease to be unenforceable, the remaining terms of this Lease shall remain in effect. THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE. You authorize us (a) to obtain credit reports, (b) to make such other credit inquiries as we may deem necessary, and (c) to furnish payment history information to credit reporting agencies. To the extent permitted by law, we may charge you a fee of \$42.25 to cover our documentation and mailing costs.

23. NOTICES. All of your written notices to us must be sent by certified mail or recognized overnight delivery service, postage prepaid, to us at our address stated in this Lease, or by facsimile transmission to our facsimile telephone number in our confirmation of receipt. All of our notices to you may be sent first class mail, postage prepaid, to your address stated in the Lease. At any time after this Lease is signed, you or we may change an address or facsimile telephone number by notice to the other of the change.

24. WAIVERS. WE AND YOU EACH AGREE TO WAIVE AND TO TAKE ALL REQUIRED STEPS TO WAIVE ALL RIGHTS TO A JURY TRIAL. To the extent you are permitted by applicable law, you waive all rights and remedies conferred by Article 2A (Sections 508-522) of the Uniform Commercial Code including, but not limited to, your rights to (a) cancel or repudiate this Lease, (b) reject or revoke acceptance of the Equipment, (c) recover damages from us for any breach of warranty or for any other reason, and (d) grant a security interest in any Equipment in your possession. To the extent you are permitted by applicable law, you waive any rights you now or later may have under any statute or otherwise which require us to sell or otherwise use any Equipment to reduce our damages, which require us to provide you with notice of default, subject to accelerated amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify in any way our rights or remedies. ANY ACTION YOU TAKE AGAINST US FOR ANY DEFAULT INCLUDING BREACH OF WARRANTY OR INDEMNITY MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT WHICH CAUSED IT. We will not be liable for specific performance of this Lease or for any losses, damages, delay or failure to deliver Equipment.

**Canon**

**INVOICE**  
**Georgia Duplicating Products, Inc.**

P O Box 3547 • Macon GA 31205 • (912) 781-8991  
1 404-766 1844 • FAX (912) 788-5459

COPIERS • FAX • COLOR LASER COPIERS

INVOICE DATE

07 Jan 2000  
CUSTOMER

INVOICE #

451617

6856459 001  
IX

**MINOLTA**

S GE CAPITAL  
O P.O BOX 601  
D  
T MOBERLY  
O

MI 65270

*PC 1/13/00*

HEAD DISTRIBUTING  
4820 NORTH CHURCH LANE  
P.O. BOX 1666  
SMYRNA GA 30080

CUSTOMER  
NUMBER  
03961

PO NO

OUR ORDER NO  
176688

ORDER DATE  
07 Jan 2000

SHIP DATE  
07 Jan 2000

SLSM  
50

COD

TERMS  
**NET INVOICE**

SHIPPING INSTRUCTIONS

SPECIAL INSTRUCTIONS

ORDER	QUANTITY		ITEM NUMBER	DESCRIPTION	UNIT PRICE	AMOUNT
	SHIP	B O				
1	1	0	NNC00287	CLC1150 W/INTERFACE BOARD D-1, RDF-62, FINISHER-F1, COLORPASS-V55	54158.300 EA	54158.30
1	1	0	F00025838		000 EA	.00
				TAXES		PAY THIS AMOUNT
				CITY	COUNTY	STATE
				.00	.00	.00
						54,158.30

*MS*

ACCOUNT NAME Head Distributing Company  
 ACCOUNT SCHEDULE 6856459 001 BALANCE DUE SUMMARY  
 Date Prepared 5/9/2003  
 By Kathy Barkalow  
 1 29136

**A PRE PETITION MONTHLY RENTAL CHARGE BREAKDOWN** (payments due before bankruptcy filed)

# Months past due 0 Past Due From 4/1/2003 Bankruptcy file date  
 Next Payment Due Date 4 13 2003

	Monthly Unit Cost		No Months	Aggregate
1) Equipment Rental	\$ 1 272 72	X		\$ -
2) Tax on Equipment	\$ 63 64	X		\$ -
3) Late Charge	\$ 127 27	X		\$ -
4) Insurance		X		\$ -
5)		X		\$ -
	PRE-PETITION DUE			\$ -

**B POST PETITION PAYMENT DUE** (payments due after bankruptcy filed)

# Months past due 1 Due from 4/13/2003  
 Next Payment Due Date 5 13 2003

	Monthly Unit Cost		No Months	Aggregate
1) Equipment Rental	\$ 1 272 72	X	1	\$ 1 272 72
2) Tax on Equipment	\$ 63 64	X	1	\$ 63 64
3) Late Charge	\$ 127 27	X	1	\$ 127 27
4) Insurance		X		\$ -
5)	\$ -	X		\$ -
	POST PETITION DUE			\$ 1 463 63

**C OTHER CHARGES PAST DUE**

1) Property Tax	\$ 2,274 65
2) Sales Tax on Property Tax	
3) Collection Charges ( )	\$ -
4) Doc fee	\$ -
<b>TOTAL OTHER PAST DUE CHARGES</b>	<b>\$ 2 274 65</b>

**D REMAINING AMOUNTS DUE**

# Months Remaining after Past due			
	\$ 1 272 72	X	7
1 Remaining Payments Equipment Rental Charges			
2 Remaining Payments Sales Tax	\$ 788 70		
3 Rental Stream Present Value @ 6% from Remaining Payments	\$ 8 733 50		
4 Residual	\$ 7 040 57		
5 Guaranteed Purchase Option	\$ -		
<b>TOTAL REMAINING PAYMENTS/PETITION</b>	<b>\$ 16,562 77</b>		

**D TOTAL TRANSACTION TERMS**

Months 48 Plan End Date 1/12/2004

**GRAND TOTAL INCLUDING RESIDUAL \$ 20,301 05**

(This total does not include applicable legal fees which will be charged to the lessee)

Equipment description

**Exhibit 2**