

EQUIPMENT RENTAL OR SALES AGREEMENT

THIS AGREEMENT, made and entered into between Technological Cinevideo Services, Inc., hereinafter sometimes referred to as "Lessor" or "TCS," and the Lessee or Purchaser signing hereinafter called Lessee or Purchaser,

WHEREAS, Lessor is engaged in the business of renting and selling motion picture and video equipment and related accessories, and **WHEREAS**, Lessee or Purchaser hereby desires to rent the equipment indicated on the Work Order or Equipment Lists attached hereto and by reference made a part hereof upon the terms and conditions hereinafter set forth, or desires to purchase the Purchase items listed on the reverse side hereof and/or attached hereto.

NOW, THEREFORE, for good and valuable considerations, it is agreed as follows:

1. EQUIPMENT RENTED, PAYMENT & INSPECTION NO WARRANTY.

[a.] Equipment Rented, Term. Lessor hereby rents Lessee, the items of equipment indicated on the Equipment List attached hereto. Lessee agrees to pay Lessor the daily or weekly rates reflected on the current TCS Schedule of Rental Rates set forth in this agreement on the face hereof for each and every day until said equipment is returned to Lessor's premises commencing on the date shown and running to the date of return as set forth on the face hereof. If said equipment is returned after 9 o'clock, A.M., a full day's rental will be charged for that day. Lessee agrees to return said equipment on the date shown on the face hereof. Rental charges do not apply towards any purchase. Rental charges shown on the Schedule of Daily Rental Rates are subject to change without notice.

[b.] Payment. Lessor acknowledges receipt from Lessee of any deposit shown attached hereto. Lessee understands that if Lessee cancels the rental for any reason, Lessee's deposit is nonrefundable. Furthermore, in the case of a cancellation that is less than 48 hours in advance of the rental pickup day, all payments including deposit, are not refundable. Lessee agrees to pay the remaining balance of all the rental, taxes, insurance, damages, repairs and all other charges immediately upon return of the equipment or the date due to be returned, whichever is earlier; provided however, that any credit- approved customer may pay in accordance with their approved credit application.

[c.] Inspection by Lessee. Lessee has inspected all rental equipment prior to the execution of this Agreement and found all items to be present and in suitable condition for use; Lessor is in no way responsible for any liability, claims, costs, or expenses arising out of the use or possession of said rental equipment by Lessee; and, this equipment is leased to Lessee without warranty or guarantee of any kind on the part of Lessor either express or implied.

2. LESSEE'S RESPONSIBILITIES AND LIABILITIES.

[a.] Delivery, Safekeeping and Return. All equipment is rented at the offices of Lessor, unless otherwise specified. Lessee hereby assumes full responsibility for selecting the mode of delivery of said equipment from Lessor's place of business to the Lessee, the safekeeping of said equipment and keeping said equipment in a good state of condition and repair, free from damage of any kind, and the safe return of said equipment to Lessor no later than the last day of the rental period set forth in this Rental Agreement. All costs of delivery from Lessor to Lessee shall be borne by Lessee, and if said equipment is shipped by Lessor to Lessee, such will be on a collect basis. Lessee shall also select the quickest, safe mode transportation for returning said equipment to Lessor, subject to Lessor's approval, and bear all expenses in connection therewith.

[b.] Destroyed, Lost, or Stolen Equipment. In the event that all or any one or more items of the equipment hereby rented is destroyed, lost or stolen, either in transit or while in the actual or constructive possession of Lessee, Lessee shall pay TCS the cash amount of the Full Replacement Cost (as such term is defined hereinafter), on account of the loss or damage to any Equipment or part thereof or TCS's cost of repair, as the case may be. In no event shall TCS be required to accept new or replacement equipment of any kind in place of lost, stolen or damaged Equipment, but shall in all cases be entitled to receive the Full Replacement Cost of any such Equipment or the cost of repairs thereof, in cash. "Full Replacement Cost" shall be the actual cost to replace the Equipment as of the replacement date with new (unused) first rate equipment of similar quality of the lost, stolen or damaged Equipment (but not necessarily the same model number) without regard to depreciation of the Equipment taken by TCS or the age of the Equipment at the time of loss. During the period such equipment is not available for use by Lessor because of being destroyed, lost or stolen, the rental rate accrued on such equipment shall be paid by Lessee to Lessor until such equipment is replaced or paid for.

[c.] Damaged Equipment. Lessee has inspected each and every item of equipment hereby rented and found each such item to be suitable condition for use, free of defects or damage, and agrees to maintain the same in good condition and repair during the rental period and until such equipment is returned to Lessor. In the event any item of equipment hereby rented is damaged either in transit or while in the actual or constructive possession of Lessee or its agents or employees, it is hereby agreed that Lessee shall immediately return said equipment to Lessor for repair or restoration to its original, serviceable condition. Lessee shall pay all costs of such repairs or restoration, and pay to Lessor the rental rate on such equipment during the entire time such equipment is being repaired or restored.

[d.] Normal Wear and Tear. In the event any item of equipment hereby rented should break or become unserviceable during the rental period, Lessor shall be the sole judge of whether the break or defect resulted from normal wear and tear, and if that is found to be the case, the rental rate shall not apply after the date said equipment is returned to Lessor's premises. If, on the other hand, Lessor determines that the break or defect resulted from misuse or other error, the equipment shall be immediately returned to Lessor, Lessee shall pay the costs of repairs, and the rental rate shall continue in full force and effect until repairs are completed.

[e.] Liability Insurance Coverage. Lessee agrees to assume full responsibility and liability for the safekeeping and return to Lessor's premises of all items of equipment rented under the terms of this Agreement, from the time the equipment leaves Lessor's premises until it is returned. Said equipment is used at Lessee's sole risk and Lessee will hold harmless and indemnify Lessor against any and all claims or liability to third persons arising out of the use of said equipment.

[f.] Property Loss. Lessee represents that: (1) Lessee has adequate insurance to fully protect Lessor against loss, theft or damage of the equipment rented under this Agreement, a certificate of insurance having been delivered to Lessor valid for the duration of the rental period, or (2) Lessee agrees to post a bond, cash or certified check, suitable to Lessor, payable to Lessor, in an amount equal to the full value of the equipment herein rented, payable to Lessor in whole or in part upon demand by Lessor for lost, damaged, stolen or destroyed equipment or in the event of any breach of this Agreement by Lessee. All insurance policies must state that the Unattended Vehicle Theft exclusion has been removed.

3. INSPECTION BY LESSOR. During all times while the rental equipment is in the actual or constructive possession of Lessee, Lessor, its agents or employees may inspect said equipment, enter upon any premises where said equipment is being stored or used, and, if it is found that such equipment is being misused, abused or if Lessee is in default as to any of the provisions hereof, including payment of rental fees, repossess said equipment or any part thereof prior to the expiration of this Rental Agreement.

4. FOREIGN RENTALS. The Lessee shall not remove any of the rental equipment from the United States to any foreign country or possession without the prior written consent of Lessor. In this connection, Lessee shall keep Lessor informed as to the exact location where the rental equipment is being used or stored during the term of this Agreement.

5. LESSEE'S DEFAULT. If the Lessee shall default on any of the terms, covenant and conditions herein, or fail to punctually make any of the payments hereunder, or if any execution or other writ or process shall be issued in any action or proceeding against the Lessee whereby the said rental equipment might become or appear to become in danger of being seized, taken or removed, or if proceedings in bankruptcy, receivership or insolvency shall be instituted by or against the Lessee or his property, or if the Lessee shall enter into any arrangement or composition with his creditors, or in the event that any judgment is obtained against the Lessee or if for any other reason Lessor is insecure, then and in such event, the Lessor may remove such equipment with or without force, and with or without notice of intention to retake the same, without being liable to Lessee or any third person in any suit or action. Lessee shall hold Lessor harmless and indemnify Lessor against any claims or alleged liability to third parties. Nothing contained herein shall be construed to bar or prevent the Lessor, in the event of moneys being due if for rental, repair, replacement, or other costs, from suing and recovering the moneys due it and from repossessing the equipment at the expense of the Lessee. Any or all of the foregoing remedies are expressly permitted, consented to and authorized by the Lessee by his signature below.

6. NO ADJUSTMENTS OR MODIFICATIONS. No personnel of Lessee or its agents, assignees or third parties shall be permitted to make any changes adjustments or modifications whatsoever in Lessor's equipment leased hereunder for any reason without Lessor's consent in writing in advance.

7. SUBLEASE OR ASSIGNMENT. Without the proper written consent of Lessor, Lessee shall not sublease or assign or permit the use of the rental equipment by any third person or entity, and agrees at all times during the term of the Agreement to retain said equipment in Lessee's exclusive possession, under Lessee's direct control and supervision. This clause is of the essence of this Agreement and breach will justify termination of same provided, however, that any rental to a "Rental House" so categorized by Lessor shall be exempt from this provision.

8. TAG OR NAMEPLATE. Lessee agrees not to permit defacement, obliteration, removal or otherwise cover or obscure the tag or nameplate or any item of equipment showing the ownership of said equipment to be in Lessor. It is further agreed that at all times the title and ownership of said equipment to be in Lessor. It is further agreed that at all times the title and ownership of said equipment shall remain in Lessor.

9. LESSOR'S OPTION TO TERMINATE. Lessee hereby grants Lessor the option to terminate this Agreement for any reason on twenty-four (24) hours notice, either by mail, personal notice, telephone or telegram. Upon the exercise of such option, the Lessee shall forthwith return to Lessor's premises at Lessee's risk and expense, the rental equipment covered herein in the same condition as it was when first delivered to Lessee.

10. NEW YORK JURISDICTION. In the event any payments hereunder become in default, or Lessee shall fail to perform any other provision of the Agreement, then it is hereby stipulated and agreed that Lessor may file legal proceedings in a Court in the State of New York, and may serve a copy of process, summons and/or pleadings upon Lessee by U.S. Mail at Lessee's address shown herein, and Lessee hereby consents to said jurisdiction and submits to said jurisdiction and venue for purposes of litigating any claim arising hereunder. This Agreement shall be governed by the law of the State of New York. In the event Lessor is required to file any legal action to enforce any provision of this Agreement, Lessee agrees to pay all court costs, plus attorneys fees if collected by or through an attorney at law.

11. PAYMENT TERMS. All payments must be made by Lessee on or before the payment due date. All payments must be made in U.S. Dollars. Any payments made after 30 calendars are subject to 1.5% (one and one half percent) monthly interest, accruing from the payment due date.

12. TAXES. Lessee agrees to reimburse Lessor for any state or local taxes which might be levied upon the equipment or use of equipment herein rented while in possession of Lessee.

13. SALES. If this agreement is a Sales Agreement. Purchaser confirms that he has inspected in advance all equipment sold and that there are no warranties or guarantees express or implied, by TCS as to the condition of same unless agreed in writing to the contrary.

14. MISCELLANEOUS. The acceptance of the return of the rented equipment shall not constitute a waiver by Lessor of any claims that it may have against the Lessee nor a waiver of claims for latent or patent damage to the equipment. This Agreement comprises and contains the entire agreement and understanding between the parties hereto, including warranties and representations, if any, and may not be amended or modified except in writing signed by both parties. Time is of the essence in all of the terms of this Agreement. Lessor shall not be liable for injury, loss or damage directly or consequently arising out of the use or inability to use the equipment whether singularly or in conjunction with any other equipment.

IN WITNESS WHEREOF, this Agreement and/or Authorization has been signed, Lessee acknowledges that the list(s) of rented or purchased equipment is attached hereto, and that Lessee has received a copy of this Agreement with Equipment List Attached.