

TERMS AND CONDITIONS FOR VALUED RENTAL CUSTOMERS OF ALAN GORDON ENTERPRISES, INC.

These terms and conditions form part of the rental contract (the "Rental Contract") between you and Alan Gordon Enterprises (A-G-E), and apply to all the equipment (the "Equipment") rented by you.

You will have an opportunity to test and examine the Equipment to determine that it is in good working order. You may test the equipment at the rental facility.

YOU ARE CONSIDERED TO HAVE TAKEN DELIVERY OF THE EQUIPMENT and therefore assume all risk of loss from the time that the Equipment is delivered to you, your agent or your carrier. You are responsible for any damage to equipment, property or person(s) during testing. After completing your tests you must notify A-G-E of any defect or inoperable equipment. Unless you notify A-G-E of any defect or problem with the equipment supplied, you agree that the Equipment is in good working order and that the Equipment is acceptable to you.

YOU PICK UP AND RETURN THE EQUIPMENT at A-G-E, during business hours.

IF YOU DO NOT, YOU ARE RESPONSIBLE FOR TRANSPORTATION TO AND/OR FROM ANY LOCATION.

YOU ASSUME ALL RISKS OF LOSS once you have taken delivery of the Equipment until the equipment is returned. Equipment will not be deemed to have been returned until 1) equipment; has been brought back to the premises during normal business hours; 2) an inventory has been completed and a missing and damaged list has been compiled, if needed; Returned Equipment will be inspected for piece count & physical condition within 48 hours of the return date.

The equipment may be used only by your technically qualified employees and/or agents. You shall keep the Equipment in your sole custody. You may not sublease all or any part of the Equipment without written consent of A-G-E. DO NOT REMOVE SERIAL NUMBERS OR COVER COMPANY LOGOS. You may not remove or cover any serial numbers, tags, nameplates, or identifying logos on the Equipment showing ownership by A-G-E. You may not alter the equipment in function or appearance in any way.

NO WARRANTY OR GUARANTY. Except as provided by law, Equipment is rented to you without warranty or guaranty of any kind, expressed or implied, and A-G-E, assumes no responsibility unless agreed to in writing.

**EQUIPMENT DAMAGED OR DESTROYED**

AS SOON AS YOU DISCOVER DEFECTIVE EQUIPMENT, you must notify A-G-E of the problem and if necessary return the Equipment to A-G-E, freight pre-paid, for evaluation. A-G-E will make a reasonable effort to repair or replace the Equipment in the shortest amount of time.

LOSS AND DAMAGES. Upon return of damaged equipment, A-G-E will make a determination of the extent of the damage and the required repairs. You, and/or your representative(s), will have a reasonable amount of time to inspect the damage. In determining whether equipment shall be replaced or repaired, A-G-E's judgment shall be conclusive upon you. Should A-G-E determine that the equipment must be replaced, you will be responsible for the cost to replace the same item or the closest comparably equipped model, at current retail prices, without deduction for depreciation. LOST, STOLEN OR DESTROYED EQUIPMENT. In the event that after delivery to you, any of the Equipment is lost, stolen, damaged

beyond repair, destroyed or otherwise disappears or is not returned for any reason, you will be responsible for the cost to replace the same item or the closest comparably equipped model, at current retail prices, without deduction for depreciation.

AS SOON AS YOU REALIZE EQUIPMENT IS MISSING, NOTIFY A-G-E, AND FILE A POLICE REPORT. In all instances immediately report any missing, lost or stolen equipment to A-G-E and file a report with the local authorities.

#### RENTAL CHARGES AND LATE CHARGES

YOU MUST RETURN THE EQUIPMENT ON THE DAY SPECIFIED in the Rental Contract or be subject to additional charges. The last rental day shall be specified in the Rental Contract or up until 10:00 AM of the next business day. A full additional day's rental will be charged for any Equipment not returned by 10:00 AM. Full daily catalog rates shall be charged for each day equipment is not returned after the date specified for the return of the Equipment.

IF YOU RETURN THE EQUIPMENT IN DAMAGED OR NON-WORKING CONDITION AND/OR MISSING COMPONENTS OR ACCESSORIES, the lease period will be extended by the shortest reasonable time necessary to repair or replace equipment and return the item(s) to inventory. The extended rental period shall apply only to the damaged or non-working item(s) unless the item(s) forms a part of other equipment. There may be delays in repair or replacement attributable to causes beyond A-G-E's control. The acceptance of the return of the Equipment by A-G-E is not a waiver by A-G-E of any claims that it may have against you.

RENTAL CHARGES FOR THE DAMAGED OR NON-WORKING ITEM(S) shall accrue at full daily rental rates for the item(s) irrespective of any package discounts or other discounts agreed to at the inception of the Rental Contract, until the item(s) is repaired and/or replaced and the invoice for damages has been paid in full to A-G-E. If requested you shall advance the money to allow A-G-E to repair or replace the equipment.

WEEKENDS AND HOLIDAYS. When on a daily schedule, you will be charged the daily rental rate for weekend days and Holidays.

There may be minimum rental periods and/or special minimums applicable to Equipment to be used other than locally. ALL RENTAL TRANSACTIONS WILL BE SUBJECT TO A \$25 MINIMUM RENTAL CHARGE.

#### CREDIT INFORMATION AND PAYMENT TERMS

THE TERMS OF PAYMENT are based upon credit information you supply at the time of rental. Should there be any change in such information, you agree that A-G-E may demand immediate payment without prior notice.

PAYMENT TERMS. Rental invoices and loss and damage invoices are payable upon receipt of invoice and not later than net 10 days. Payments due for 30 days or more shall be considered past due. For each month or part of a month thereafter, a past due or late charge will be assessed, which you will pay. If A-G-E places the account in the hands of an attorney or other agency for collection, you agree to pay reasonable collection costs, attorney fees and court costs. You agree to pay A-G-E directly or as directed by A-G-E or its agent.

RENTAL PAYMENTS DO NOT APPLY TO PURCHASE PRICE. Rental payments may not be applied to the purchase price of any Equipment.

CANCELLATION PENALTIES. A-G-E shall be entitled to compensation, not to exceed the lease payments, for any losses A-G-E may sustain because of your cancellation of all or part of an order.

#### INSURANCE REQUIREMENTS

YOU MUST INSURE ALL THE EQUIPMENT. You shall, at your own expense, and at all times during the rental, maintain in full force and effect, insurance covering all equipment rented, from all sources, for full replacement cost and for loss of use (rents) of the Equipment. Coverage must begin from the time you or your agents accept delivery of the Equipment and continue until the time the Equipment is returned. You shall deliver to A-G-E, evidence of the insurance coverage, typically a Certificate of Insurance satisfactory to A-G-E, showing Liability Coverage, Property Insurance, prior to taking possession of equipment. Such insurance shall be written by reputable insurers acceptable to A-G-E; your insurers shall agree to be the primary insurers of such Equipment during the rental period. Notwithstanding this paragraph, you shall remain primarily liable to A-G-E for full performance under the terms and conditions of the Rental Contract. A-G-E may enforce its remedies directly against you without resort to your insurance.

PROPERTY INSURANCE. Your insurance should be on a worldwide basis, shall name A-G-E as Loss Payee and Named Insured, for loss or damage to the property rented; shall cover "All Risks" of loss or damage to equipment; and all policies shall provide for 10 days written notice to A-G-E before any policy shall be modified or canceled. Limits shall be sufficient to encompass all property at risk, regardless of source, but in no event less than full current retail replacement value of property.

UNATTENDED AUTO. You are required to provide A-G-E insurance to cover the Equipment while It is stored in an unattended/unlocked vehicle.

LIABILITY INSURANCE. You shall name A-G-E as an additional insured on your liability insurance and your liability insurance shall be deemed primary insurance in the event of any claim or suit. Liability insurance shall meet the following minimums:

- Commercial General Liability: \$1,000,000.00 per occurrence & annual aggregate
- Automobile Liability: \$1,000,000.00 combined single limit
- Foreign Liability; if filming outside the U.S.A. or Canada: \$1,000,000.00 per occurrence limit
- Aircraft Liability, if filming from an aircraft: \$5,000,000.00

THE RIGHTS OF A-G-E ARE NOT AFFECTED BY YOUR NON-PERFORMANCE. Your insurers shall agree that the rights of A-G-E under the insurance coverage as described in the preceding paragraphs shall not be affected by any act or neglect or breach of condition by you, other than non-payments of insurance premiums. Should you fail to procure or pay the cost of maintaining in force the insurance specified in the Rental Contract or to provide A-G-E upon request with satisfactory evidence of the insurance, A-G-E may, but shall not be obligated to, procure the insurance and you shall reimburse A-G-E or demand for its cost. Lapse or cancellation of the required insurance shall be an immediate and automatic default of this agreement.

ARRANGEMENTS FOR COVERAGE MUST BE MADE IN ADVANCE of each and every rental transaction.

TITLE AND OWNERSHIP You specifically acknowledge A-G-E's superior title of ownership of the Equipment and you will keep the Equipment free of all liens, levies and encumbrances. You may not assign or pledge the Equipment.

#### RIGHT OF ENTRY AND INSPECTION

A-G-E shall have the right to inspect the Equipment at any time during the rental term. You shall make any and all arrangements necessary to permit an employee of A-G-E access to the Equipment. If a breach of any of the provisions of the Rental Contract occurs, A-G-E has the right to remove all of the Equipment without any liability to you, and without prejudice to A-G-E's right to receive rent due or accrued to, including the date of removal of the Equipment and you will pay all costs associated with such damage.

#### INDEMNIFYING A-G-E

You agree to indemnify A-G-E and to hold A-G-E and its employees and agents harmless from and against any and all losses damages, claims, demand or liability of any kind or nature whatsoever, including legal expenses, arising from the use, condition (including, without limitation, latent and other defects) or operation of the Equipment, and by whosoever used or operated the Equipment during the rental term(s). This indemnification shall continue in full force and effect during and after the term of the rental for causes arising during the term of the rental. A-G-E and its employees will not be responsible for any damage to, or failure to record on film or recording media due to equipment malfunction after leaving A-G-E premises.

#### MISCELLANEOUS ASPECTS OF THE RENTAL AGREEMENT.

THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

The Rental Contract shall be deemed to have been made in the County of Los Angeles, and shall be interpreted and the rights and liabilities of the parties determined, in accordance with the laws of the state of California.

WHEN THE CUSTOMER IS A CORPORATION. The person executing the Rental Contract on behalf of such corporation warrants that he/she has full authority of such corporation to sign the Rental Contract and obligate the corporation and also assumes personal liability in accord with all terms and conditions.

#### FOREIGN USE (OUTSIDE THE U.S.)

You must notify A-G-E of your intention to use the Equipment outside of the U.S.A. and gain their permission to do so.

TERMS AND CONDITIONS APPLY. All of the preceding terms and conditions apply to Equipment which is rented from A-G-E and is transported to a location outside the U.S.A.

SHIPMENT OUTSIDE THE U.S.A. A-G-E will allow shipment only through an established Customs Broker, contracted by you. Said U.S. Customs Broker is to REGISTER the Equipment with the United States Customs, using a United States Customs Form, prior to the Equipment leaving the U.S.A. A certified copy of the registration form must be returned to A-G-E OR said Customs Broker will arrange a Carnet through the United States Council of the International Chamber of Commerce, stipulating that you: "shall (1) return the said products described in the Carnet to the U.S.A., or (2) pay such customs duties, excise taxes, and/or charges which may be imposed by any country for its failure to return said products." A certified copy of the Carnet must be returned to the renter.

ON REQUEST, A-G-E WILL PROVIDE AN ITEMIZATION OF ALL EQUIPMENT, Listing: brand name; country of origin/manufacture; item; serial numbers: and replacement value on request.

ALL BROKERAGE CHARGES AND SHIPPING CHARGES, fees and taxes are to be borne by you and prepaid prior to shipment.

RETURNING SHIPMENTS MUST BE CONSIGNED TO THE ORIGINATING CUSTOMS BROKER for clearance and re-entry into the U.S. In no cases is the Equipment to be shipped directly back to A-G-E. Returning shipments must contain instructions to the Customs broker regarding the disposition of the Equipment after clearing the U.S. Customs (i.e. deliver equipment to A-G-E, or to your U.S.A. address).

YOU ACKNOWLEDGE THAT RENTAL CHARGES ACCRUE for time in transit, including the time Equipment may be in the hands of the designated Customs broker, or U.S. Customs Service. You acknowledge and agree that the payment of U.S. Import Duty Taxes which may be levied for foreign made goods, is your responsibility, even though you followed the above procedures.

CANCELLATION POLICIES in the event of cancellation when on daily or weekly schedule, cancellation charges may apply in consideration of A-G-E's preparing, holding in reserve or sub-renting equipment, facilities or vehicles on your behalf. By keeping A-G-E informed of your shooting schedule, you can either minimize or avoid cancellation fees.

ENTIRE AGREEMENT. The signed Rental Contract and these Terms and Conditions constitute the entire agreement between you and A-G-E. Any changes must be made in writing and agreed to by both parties.