

KESLOW CAMERA, INC.

RENTAL TERMS AND CONDITIONS

These terms and conditions are in addition to any provisions contained in any sales order or other rental agreement between KESLOW CAMERA, INC. ("KESLOW") and the customer identified on the attached sales document ("Customer").

1. **Inspection; transporting the Equipment:** Customer has inspected and tested all of the equipment being leased hereunder. Customer agrees that such equipment is in good working condition, acceptable to Customer, and free from damage or defect. Customer assumes all risks inherent in inspection and testing and shall be liable for all damage caused to equipment, property, or persons during inspection and testing.
2. **Disclaimers; Warranties:** CUSTOMER RENTS THE EQUIPMENT AS IS AND, NOT BEING THE MANUFACTURER OF THE EQUIPMENT, THE MANUFACTURER'S AGENT OR THE SELLER'S AGENT, KESLOW MAKES NO WARRANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, DESIGN OR CONDITION OF THE EQUIPMENT, OR INTELLECTUAL PROPERTY RIGHTS (INCLUDING WITHOUT LIMITATION ANY PATENT, COPYRIGHT AND TRADEMARK RIGHTS, OF ANY THIRD PARTY WITH RESPECT TO THE EQUIPMENT, WHETHER RELATING TO INFRINGEMENT OR OTHERWISE) WITH RESPECT TO THE EQUIPMENT. KESLOW SHALL NOT BE RESPONSIBLE FOR ANY DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM POSSESSION OR USE OF THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO, LOST PROFITS OR BUSINESS REVENUE, LOST BUSINESS, WHETHER SUCH DAMAGES ARE FORSEEABLE AND WHETHER KESLOW HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CUSTOMER AGREES THAT KESLOW SHALL NOT BE LIABLE FOR ANY DELAY IN DELIVERY, OR ANY FAILURE TO DELIVER OR INSTALL, ANY EQUIPMENT. NOTWITHSTANDING THE FOREGOING, IN NO EVENT SHALL KESLOW'S LIABILITY (WHETHER IN TORT, NEGLIGENCE OR OTHERWISE) TO CUSTOMER WITH RESPECT TO THE EQUIPMENT EXCEED AN AMOUNT EQUAL TO THE AGGREGATE CHARGES OR FEES ACTUALLY PAID BY CUSTOMER WITH RESPECT TO THE EQUIPMENT FOR THE ONE (1) MONTH PERIOD IMMEDIATELY PRECEDING THE MONTH DURING WHICH THE EVENT GIVING RISE TO KESLOW'S LIABILITY OCCURS.
3. **Equipment Pick-up & Return:** Customer must pick-up and return equipment at KESLOW's business premises during normal business hours. Customer is deemed to have taken delivery of the equipment, and therefore assumes all risk of loss thereof, from the time that the equipment is set aside from KESLOW's general rental inventory for Customer's use. KESLOW does not ship equipment. Any arrangements with common carriers are the sole responsibility of Customer and must be made by Customer directly with the common carrier. All equipment shipped to KESLOW by Customer must be shipped prepaid. Equipment will not be deemed to have been returned until all of the following conditions have been met: (i) equipment has been returned to KESLOW's premises during normal business hours; (ii) an inventory has been completed and a list of any missing or damaged equipment has been compiled; and (iii) the scheduled term of Customer's lease agreement for the equipment has expired.
4. **Rates, Charges, Etc.:** Rates and terms of payment are based upon credit information at the time of rental. Should there be any change in such information, Customer agrees that KESLOW may revise the same without further notice. The first rental day shall be the day of delivery to Customer. The last rental day shall be the day of return if such return is after 10 A.M. Equipment rented at the daily rate will be charged for Sundays and Holidays. If any account is not paid when due, KESLOW will charge, and Customer shall pay, (i) a \$50 administrative charge and (ii) interest on the unpaid amount equal to 1-1/2% of the balance due and will be added for each 30-day period which elapses from and after the due date of such account, but not in excess of the maximum amount allowable under applicable law. If Customer cancels all or any part of an order, Customer shall, nonetheless, pay KESLOW the scheduled lease payments for such order. Customer agrees to pay all sales, use, gross receipt and other taxes, and all transportation charges, duties, broker fees, bond fees, and all other costs imposed upon the leasing or use of the equipment. In no event, shall interest accrue or be payable by KESLOW with respect to any Customer deposit or prepaid rent.
5. **Use of Equipment; Equipment Location:** Customer shall use the Equipment solely in the conduct of its business, in a manner and for the use contemplated by the manufacturer thereof. KESLOW shall be entitled to inspect the Equipment at reasonable times. KESLOW may require markings to be affixed to the Equipment. Customer shall keep the Equipment free from any markings or labeling which might be interpreted as a claim of ownership thereof by Customer. Without the prior written consent of KESLOW, which consent may be withheld in KESLOW's sole discretion, Customer shall not assign, lend, pledge, transfer, or sublease the Equipment, permit to exist any security interest, lien or encumbrance with respect to any of the Equipment; or cause or permit any of the Equipment to be moved from the location specified in the Agreement. Customer shall bear the risk of any loss, theft, damage or destruction to the Equipment during the Term. Customer acknowledges that KESLOW lease the Equipment from, or pledge any or all of its rights in the Equipment to, a financial institution or other financing source (each a "Lessor") and Customer shall comply with any and all directions from such Lessor regarding the Equipment, including releasing the Equipment to Lessor upon written request. Customer hereby irrevocably authorizes KESLOW and/or Lessor to file and record such Uniform Commercial Code financing statement(s), amendments and continuations and/or other lien recordation documents as may be prudent to confirm and maintain KESLOW'S and/or Lessor's interest in the Equipment. Customer shall not allow the Equipment, or any part thereof, to be removed from the County of Los Angeles, State of California, without the prior written consent of KESLOW, which consent may be withheld in KESLOW's sole discretion. Customers who receive KESLOW's prior written consent to move equipment outside the United States will only be allowed to ship such equipment through an established customs broker contracted by Customer. Prior to any equipment leaving the United States, said customs broker must register the equipment with United States Customs, using United States Customs Form 4455 (or its successor or replacement form), or obtain an ATA Carnet covering the equipment. A certified copy of the registration form or a copy of the ATA Carnet must be provided to KESLOW promptly after shipment.
6. **Authorized Users.** Customer agrees to keep all equipment leased hereunder in Customer's sole custody and control and will not sublet or assign any equipment. Customer will only allow Customer's duly qualified employees and/or agents to use the equipment and will not use any equipment in violation of any applicable law, rule, or regulation, including, without limitation, foreign, federal, state, and municipal laws, rules, and regulations.
7. **Damaged/Unreturned Equipment:** If Customer fails to timely return any Equipment for any reason, or if the Equipment is returned in a damaged condition and KESLOW determines that it is not commercially reasonable to repair the Equipment (regardless of whether Customer or any other person or entity caused the damage), Customer shall pay KESLOW the full replacement cost of the Equipment, as determined by KESLOW. If any item is returned in a damaged condition and KESLOW determines that it can be repaired on reasonable terms, Customer shall pay to KESLOW the cost of such repairs as determined by KESLOW. In determining whether equipment shall be replaced or repaired, KESLOW's judgment shall be conclusive upon Customer. In addition to Customer's liability for the replacement or repair cost of damaged or unreturned equipment, Customer also agrees to pay rent on such damaged or unreturned equipment at the rate of three times the daily rental rate until the equipment has actually been repaired or replaced and returned to KESLOW's rental inventory. Customer agrees to pay any amounts owing for damaged or unreturned equipment within 10 days of KESLOW's invoice or written demand therefor. Accrued rental fees are not applicable to, nor may they be used as an offset against, any amounts owing hereunder for damaged or unreturned equipment. Interest shall accrue on any overdue payments at the rate of interest on the unpaid amount equal to 1-1/2% of the balance due per month. In no event shall KESLOW's acceptance of returned equipment be deemed a waiver by KESLOW of any claims that it may have against Customer, including, without limitation, any claim for latent or patent damage to the equipment.
8. **Title and Ownership:** Customer agrees that Customer has no property rights in any of the Equipment. Customer specifically acknowledges and agrees that Customer is only leasing the equipment, with no option or right to purchase the equipment, and that all title to and ownership of the equipment remains with KESLOW. Customer shall keep the equipment free of all liens, levies, and encumbrances. Customer agrees not to remove, alter, or conceal any tag, nameplate, marking, serial number, or other evidence of KESLOW's ownership on or affixed to the equipment. Customer may not sublease all or any part of the Equipment.
9. **Right of Entry:** Customer hereby irrevocably and unconditionally authorizes KESLOW and its agents, at any time, with or without notice, to enter any of Customer's premises or any other location where the equipment may reasonably be expected to be found, with or without legal process and forcibly if necessary, for the purpose of repossessing any and all equipment leased to Customer. Customer waives any cause of action Customer may have, whether in trespass or otherwise, on account of any such entry and represents and warrants that Customer has obtained all necessary consents from all owners and tenants of such premises or locations for the purpose of such entry. KESLOW and its agents shall have no liability for any damage caused by any such entry nor shall KESLOW's right to receive accrued rents or other monies due hereunder be prejudiced by any such repossession.
10. **Insurance:** At all times from and after the delivery of equipment to Customer, Customer shall obtain and maintain at its own expense insurance against the loss of or damage to such Equipment, including, without limitation, loss by fire or other casualty. property damage insurance, in amounts and with insurance companies satisfactory to KESLOW, protecting KESLOW as an additional insured and providing for 10 days' written notice to KESLOW before any policy shall be modified or canceled. Prior to pick up of rental equipment, Customer shall deliver a complete copy of such insurance policy to KESLOW. Should Customer fail to procure or pay the cost of maintaining in force the insurance specified above or to provide KESLOW upon request with satisfactory evidence of the insurance, KESLOW may, but shall not be obligated to, procure such insurance, and Customer shall reimburse KESLOW on demand for the cost of such insurance.
11. **Indemnity; Collection Costs:** Customer agrees to indemnify KESLOW and to hold KESLOW harmless from and against any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities (collectively, "Damages"), including, without limitation, attorney's fees, court costs and collection agency costs, arising out of, connected with, or resulting from: (i) any equipment or services provided hereunder or in connection herewith, including, without limitation, Damages arising out of, connected with, or resulting from the manufacture, selection, delivery, possession, use, operation, conduct, or return of said equipment; and (ii) the breach by Customer or any covenant, agreement, representation or warranty made herein. If KESLOW places Customer's account in the hands of an attorney or collection agency for collection, Customer agrees to pay all attorneys' fees, collection agency fees and commissions, and court costs incurred in connection therewith.
12. **Cross-Default:** Any breach of this Agreement by Customer shall also constitute a breach by Customer of all other agreements Customer may have with KESLOW. If Customer breaches this Agreement or any other agreement with KESLOW, KESLOW may pursue all remedies and enforce all rights available to KESLOW under this Agreement or such other agreement(s) and shall have the right to offset any payment obligations or debts owed by KESLOW to Customer against any claims of KESLOW against Customer.
13. **Screen Credits:** If any of the equipment is used in the filming or photography, whether in whole or in part, of any theatrical, television or home video motion picture or program, Customer agrees that KESLOW shall receive onscreen credit in the end credits in substantially the following form: "Camera and Lenses furnished by KESLOW CAMERA, INC." KESLOW shall not have any right to injunctive or equitable relief if Customer breaches this provision; however, upon receipt of written notice from KESLOW, Customer shall endeavor in good faith to prospectively cure any omission or failure to provide the above-specified credit.
14. **Signer Authority/Liability:** If Customer is a corporation, limited liability company or other entity, the person signing this Agreement on behalf of such entity hereby warrants that he/she has full authority from such entity to sign this Agreement on behalf of the entity. Such person and the Customer shall be jointly and severally liable for all rentals and all other sums that become due and owing to KESLOW under the terms of this Agreement.
15. **Review of Agreement:** Customer hereby acknowledges that, prior to execution hereof, Customer read this Agreement and fully understands all of its provisions.
16. **Miscellaneous:** This Agreement and the term sheet printed on the reverse side or attached hereto constitute the entire agreement between the parties hereto with respect to the subject matter hereof and cannot be modified, supplemented, or amended except by a written instrument executed by the parties hereto. If any provision of this Agreement is illegal or contrary to public policy, such provision shall be curtailed, limited, or eliminated to the extent necessary to remove such illegality or conflict and, as so modified, this Agreement shall continue in full force and effect. No waiver by one party of a breach or default by the other party shall be deemed to be a waiver of any preceding, continuing, or succeeding breach of the same or any other provision of this Agreement. This Agreement shall be subject to and construed in accordance with the laws of the State of California without reference to its conflict of law rules. The venue and jurisdiction of any litigation related to, arising out of, or connected with this Agreement, shall be exclusively in a state or federal court located in Los Angeles County, California. The prevailing party in any dispute between KESLOW and Customer shall be awarded its attorneys' fees and costs incurred therein, including any on appeal. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, licensees, and permitted assigns.