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Video Resources, Inc.
CONDITIONS OF BUSINESS
August 2007

1. INTERPRETATION

In these Conditions of Business unless the context otherwise requires:

1.1 "VRi" means Video Resources, Inc., a California corporation, doing business as Video Resources, having its principle place of business at 1809 E. Dyer Road, Suite 307, Santa Ana, Ca 92705, and 110 Campus Drive, Marlborough, MA 01752

1.2 The "Customer" means the person (including his successors, personal representatives and permitted assignees) hiring Equipment or purchasing Goods and/or Services from VRi.

1.3 "Equipment" means cinematography equipment, lighting equipment, related electrical distribution equipment, cranes, remote systems, generators, vehicles, and all other related equipment and accessories hired by the Customer from VRi.

2. RENTAL FEE: TAXES

2.1 Rental Fee. The Customer shall pay VRi a rental fee (the "Rental Fee") being the amount payable for the rental of the Equipment to the Customer, in accordance with the Delivery Receipt ("Delivery Receipt") and the rates in the VRi rental catalogue (the "Rental Catalogue") unless otherwise agreed by VRi in writing as evidenced by the periodic invoices issued by VRi to the Customer. The minimum Rental Fee for interstate use of Equipment is two days and for overseas use is one week. VRi reserves the right to alter the rates in the Rental Catalogue without notice to the Customer. VRi shall be entitled for up to ten percent (10%) of the billed daily time on the job without any deduction for such "Down-Time" from the total charges payable by Customer.

2.2 Calculation. The Rental Fee shall be calculated from Delivery (defined below) until the Equipment is returned to VRi's place of business and is accepted by VRi staff ("Return"). In the event that the Equipment is not returned by 9:00am on the working day following the last day of the hiring period, the Customer shall be liable for additional fees at the full daily rental rates set out in the Rental Catalogue for each day until the Equipment is returned. Unless otherwise agreed by VRi, cancellation of booked or reserved Equipment within 24 hours of the time specified for Delivery will incur a cancellation charge up to a maximum of 50% of the Rental Fee for the Equipment concerned.

2.3 Payment. The Customer shall pay the Rental Fee in United States Dollars without abatement, deduction or set-off, no later than 30 days after the date of VRi's invoice to Customer. However, VRi reserves the right to require payment in cash upon confirmation of order or Delivery if VRi so notifies the Customer. Past due amounts shall bear interest at the rate of 11/2% per month and the parties agree that such default interest is not a penalty but is a true measure of damages incurred by VRi, and all such charges shall be payable on demand. Payments received from the Customer will be credited first against any default interest. In the event that the Customer fails to pay when due, the Customer shall be liable for all out-of-pocket costs incurred by VRi in collecting such amounts, including but not limited to reasonable outside legal costs and disbursements.

2.4 Taxes. The Customer will be solely responsible for any and all taxes, transportation charges, custom duties, import taxes, broker fees, bond, and all other costs arising out of the Customer's hire, use or transportation of the Equipment or otherwise resulting from the customer's hire of the Equipment, excluding taxes based solely on VRi's net income.

2.5 Voided Payments. Any payment made by or on behalf of a Customer which is later voided by the application of any statutory provision shall be deemed not to discharge the Customer's obligations to VRi and, in such event the parties are to be restored to rights and

obligations which each respectively would have had if the payment had not been made.

2.6 Credit/Charge Card Charges. Credit and/or charge card payments are subject to the approval of the financial institution issuing the credit and/or charge card. VRi shall not be liable in any way if such financial institution refuses to accept or honor the credit and/or charge card for any reason, in which case Customer shall remain directly liable to VRi for any amounts owed by such Customer pursuant to these Conditions of Business. Any fees payable by VRi to the issuing financial institution may be added to the Rental Fee payable by the Customer.

3. EQUIPMENT

3.1 Delivery. The Customer shall be responsible for the collection and return of the Equipment except where prior alternate arrangements are made with VRi. VRi shall have absolute discretion as to the mode of delivery and the Customer shall, at all times bear the risk and the cost of delivery unless otherwise agreed by VRi. Delivery (including for the purposes of risk of loss) of the Equipment shall be effected Ex Works (Incoterms 2000) at VRi's place of business ("Delivery"). With each Delivery, VRi shall provide to the Customer a Delivery Receipt that shall itemize the Equipment delivered. Unless VRi receives written notice to the contrary from the Customer within 24 hours of Delivery, the Delivery Receipt shall be considered conclusive evidence that the listed Equipment was delivered in good working order.

3.2 Return. The Customer shall return the Equipment at the Customer's expense VRi's place of business in the same condition as when received by the Customer, subject to reasonable wear and tear.

3.3 Use of Equipment. The Customer shall: (a) not use the Equipment for any purpose other than image capture, lighting and related electrical distribution of the Customer's project and related matters (e.g., as tests, titles, added scenes, retakes and trailers); (b) not lend, sublet, pledge, or otherwise dispose of or encumber the Equipment, or permit anyone other than the Customer, persons under the Customer's direction and control (having appropriate qualifications and experience), or VRi, to have possession of, use, examine or evaluate the Equipment (c) not modify or disassemble the Equipment, except for the purpose of normal cleaning and maintenance in accordance with Section 3.6 below; (d) not attach anything to the Equipment by any means that causes damage to the Equipment; (e) take all reasonable precautions to avoid loss or damage to the Equipment during the period of hire; (f) ensure that any vehicle that is supplied to the Customer by VRi or other vehicle used to transport the Equipment will only be driven in accordance with any applicable work rules or union or similar arrangements, by persons with an appropriate and current license and that such vehicles will be used in accordance with all laws governing their use and the Customer shall supply VRi with written notice of the name of and licence details, including a legible copy of such licence, of each and every driver and the Customer shall be responsible for all fines and/or charges relating to breaches of relevant laws relating to the operation of the vehicle, (g) ensure that any Equipment requiring specialized technicians or operators is only operated or utilized by such qualified persons (h) advise VRi of any fault in the Equipment, within 24 hours of Customer's discovery of such fault (i) not, without the prior written consent of VRi, use the Equipment on any abnormal or hazardous assignment or transport the Equipment from the ground other than on a regular scheduled flight by a reputable airline.

3.4 Inspection. VRi shall have the right to inspect the Equipment or observe its use provided that VRi has given the Customer not less than 24 hours notice and such business hours at VRi's own expense and does not interfere with the production of the Customer's project.

3.5 Recovery. The Customer acknowledges that VRi may enter into or upon any such premises where the Equipment may be in order to



remove the Equipment, without prejudice to the rights of VRi to recover from the Customer any monies due hereunder or any damages for breach hereof and the Customer indemnifies VRi in respect of any claims, damages or expenses arising out of any action taken under this clause.

3.6 Maintenance and Repairs. (a) Normal cleaning of Equipment (including cleaning and oiling movements, cleaning lenses and filters, and general cleaning), replacing and cleaning ground glass, and basic troubleshooting (including swapping fuses and removable circuit-boards) (collectively, "Normal Cleaning and Maintenance") shall be done by Lessee at its cost and shall only be performed by persons who have been provided explicit maintenance and service instruction by VRi. If the required repairs exceed Normal Cleaning and Maintenance, VRi shall make such repairs, provided that Lessee returns such Equipment to VRi's Place of Business, unless VRi determines that such repairs may be carried out at the location where the Equipment is being used, in which case VRi may send a technician to such location for that purpose at Lessee's request and sole cost and expense. VRi shall make such repairs or to replace the Equipment as promptly as reasonably practicable.

(b) The cost of repairs or replacement resulting from reasonable wear and tear, or from any defect in the Equipment (the "VRi Covered Repairs") shall not be charged to the Customer, and, with respect to VRi Covered Repairs, the Customer shall not be responsible for transportation costs for sending the Equipment back to VRi's Place of Business nor for the Rental Fee for such Equipment during the period it is being repaired or until it is replaced ("Repair Transport and Rent"); however, the Customer shall still bear the risk of loss during such period. Repairs or replacement costs resulting from any other cause, including, without limitation, misuse, accident or abuse of the Equipment shall be charged to the Customer, including Repair Transport and Rent.

3.7 Ownership. The Customer's rights in relation to the Equipment are as a renter only and nothing herein shall be construed as conveying to Customer any right, title or interest, other than a temporary leasehold interest, in or to any Equipment or in or to any other property of VRi, including but not limited to, VRi's intellectual property. VRi may, but shall not be required to, identify the Equipment to indicate VRi's ownership by nameplate or other means, and the Customer agrees not to remove or deface such identification.

4. CREDIT

4.1 Credit Memorandum. The Customer acknowledges and agrees that it's obligations with respect to VRi credits shall be governed by the terms of the VRi Credit Memorandum, a copy of which the Customer hereby acknowledges having received.

5. LOSS, DAMAGE, INSURANCE

5.1 Risk. The Equipment shall be at the Customer's risk from Delivery until Return except that acceptance of Equipment by VRi staff upon Return does not release the Customer from responsibility for loss or damage to Equipment pursuant to these Conditions of Business.

5.2 Loss. In the event that Equipment is lost, stolen, missing, destroyed, or damaged beyond repair while at the Customer's risk, the Customer shall be liable for and agrees to compensate VRi for the greater of replacement cost (without deduction for depreciation) or the insurance value prescribed on VRi's schedule of insurance values, which is available upon request and subject to update from time to time. Further, with respect to any lost, stolen, missing, destroyed or damaged equipment, the Customer agrees to compensate VRi for the Rental Fee for the Equipment until the Equipment is repaired or replaced. Without limiting the Customer's obligation with respect to hired vehicles, if the Customer hires a vehicle, Customer shall be responsible for all damage to tires of such vehicle.

5.3 Customer Insurance. (a) Customer shall, at its expense, obtain and maintain in full force and effect insurance in compliance with this Section 5.3 covering any and all loss, costs, damage and expenses arising out of or based upon the use or possession of the Equipment or

the present or future fitness, quality, design, condition, repair, merchantability, functioning, performance or malfunctioning of the Equipment, or its material or workmanship, no matter how caused or occasioned, but excluding gross negligence or wilful misconduct of VRi, its officers, directors, employees, agents, or representatives. Such insurance shall be written by reputable insurance carriers maintaining an AM Best Rating of A- and financial size 5 and must include rental charges incurred on lost or damaged Equipment while it is being replaced or repaired in accordance with Section 5.2. Customer's insurers must be the primary insurers of the Equipment during the Term and coverage shall be written on a non-contributor basis. Prior to delivery of the Equipment, the Customer shall provide to VRi valid certificates of insurance complying with this Section 5.3. Customer shall provide VRi at least 30 days prior notice of any proposed modification, alteration or cancellation of any such insurance. Customer agrees to inform its nominated insurer where any Equipment may be subjected to abnormal or hazardous conditions or possible damage by foreign materials such as salt, water, dust or sand so that full and appropriate insurance cover may be effected. Notwithstanding anything else in this Section 5.3, Customer shall remain primarily liable to VRi pursuant to the provisions of Section 5.1 and 5.2 above, and VRi may enforce its remedies hereunder directly against Customer without proceeding against the insurer.

(b) Minimum Requirements.

Type of Coverage (*)	Limits	Wording Requirements
Commercial General Liability Insurance	\$1 million per occurrence \$2 million aggregate	Video Resources, Inc. named as an additional insured Foreign territory extension, if filming outside the United States
Miscellaneous Equipment Floater	Equipment value as per Schedule B, plus \$250,000	Video Resources, Inc. named as the loss payee Worldwide coverage Replacement cost basis without deduction for depreciation Loss of use extension
Automobile Liability for owned and non-owned and hired vehicles	\$ 1 million combined single limit	
Workers Compensation Insurance As required by applicable legislation		

5.5 Loss Procedures. In the event of loss or damage to the Equipment of any kind the Customer shall: (a) immediately notify VRi (and the Police where appropriate) and take all practicable steps towards discovery and recovery; (b) as soon as practicable, provide VRi with a full written report of the circumstances of the loss or damage to VRi and furnish VRi with any particulars or evidence as may reasonably be required by VRi.

6. EXCLUSION OF WARRANTY

6.1 Exclusion of Warranty. VRi MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, THE FITNESS, QUALITY, DESIGN, CONDITION, REPAIR, MERCHANTABILITY, FUNCTIONING, PERFORMANCE OR



MALFUNCTIONING OF THE EQUIPMENT, OR OF ITS MATERIAL OR WORKMANSHIP. The Customer further acknowledges that it has determined the Equipment as specified on the Delivery Receipt will be fit for its purposes and that it has not relied on the skill or judgement of VRi or any person purporting to act on its behalf in selecting such Equipment and that before taking delivery the Customer has checked the Equipment for completeness, correct functioning and suitability, including film testing of all cameras wherever practicable in a manner similar to that in which they will be used by the Customer on the production.

7. LIMITATION OF LIABILITY & INDEMNITY

7.1 Limitation of Liability. VRi'S OBLIGATIONS WITH RESPECT TO THE EQUIPMENT ARE LIMITED TO THE OBLIGATIONS PROVIDED FOR IN SECTIONS 3.1 AND 3.6 AND THE CUSTOMER EXPRESSLY ACKNOWLEDGES AND AGREES THAT VRi (AND ANY MASTER LESSOR OF THE EQUIPMENT) SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS, USE, OR OTHER LOSSES RESULTING FROM THE FITNESS, QUALITY, DESIGN, CONDITION, REPAIR, MERCHANTABILITY, FUNCTIONING, PERFORMANCE OR MALFUNCTIONING OF THE EQUIPMENT, OR OF ITS MATERIAL OR WORKMANSHIP.

7.3 Waiver & Indemnity. The Customer waives, releases and agrees to defend, indemnify and hold harmless VRi, its affiliates and related companies and each of their respective officers, directors, employees, shareholders, agents, representatives, insurance carriers, successors, licensees, and assigns, and each of them, from any liability, claims, rights of subrogation, demands, actions, causes of action, losses, costs, damages and expenses (collectively, "Claims") arising out of or based upon the Customer's breach of the terms of these Conditions of Business, subrogation claims by the Customer's insurers, or the Customer's use, possession, operation, and transport of the Equipment, including, without limitation, the preparation and testing of the Equipment (whether or not the preparation and testing takes place on VRi's premises), other than Claims arising out of or based upon the gross negligence or willful misconduct of VRi.

8. DEFAULT & REMEDIES

8.1. Default. It shall constitute an event of default ("Default") under these Conditions of Business: (a) if the Customer shall fail to pay the Rental Fee in accordance with these Conditions of Business, the Delivery Receipt and periodic invoices; (b) if the Customer shall do or permit any act or thing whereby VRi's rights in the Equipment may be prejudiced, or which constitutes illegal or improper use of the Equipment; (c) the Customer shall become insolvent or shall cease to conduct its business as a going concern, or shall apply for or consent to otherwise obtain the appointment of a receiver, trustee, administrator, liquidator or similar appointment to the Customer or assets of the Customer, or if proceedings are instituted under any applicable insolvency law; (d) if the Customer commits any breach of these Conditions of Business, the Delivery Receipt or the VRi Credit Memorandum other than as referred to in (a), (b), or (c) above and such breach has not been cured within 2 business days from the date of VRi's written notice to the Customer of such breach.

8.2 Remedies. In the event of a Default, VRi may: (a) demand immediate payment of all accrued and unpaid Rental Fees and any other amounts due and the Customer shall pay such amounts immediately upon such demand; (b) immediately terminate the Customer's right of possession and use of the Equipment and the Customer shall immediately return the Equipment to VRi, or VRi may, at the Customer's expense, enter into any premises where the Equipment may be located and repossess the Equipment. In addition, VRi may pursue any other remedy available to VRi at law or in equity, and each such right and remedy may be enforced concurrently with any other right or remedy.

9. GENERAL

9.1. Relationship of the Parties. Nothing contained in these Conditions of Business shall be construed to create a partnership between, or joint venture by, the parties, or to constitute either party the agent of the other party. The agreement between VRi and the Customer is not for the benefit of any third party (except indemnitees or insureds under Sections 5 and 7) and shall not be deemed to give any right or remedy to any such party whether identified in these Conditions of Business or not.

9.2. Severability. If any provision of these Conditions of Business is illegal, void or unenforceable, such provision shall be severable, and shall not affect any other provision of these Conditions of Business, and shall be deemed to be modified to the minimum extent necessary to avoid the illegality.

9.3. Successors and Assigns. These Conditions of Business shall be binding upon each party and its respective parent companies, affiliate companies, subsidiary companies, successors and assigns, however, the Customer may not assign its rights without prior written consent by VRi.

9.4. Attorneys' Fees and Costs; Choice of Law and Jurisdiction. The prevailing party in any suit, legal proceeding, arbitration or other action brought arising in connection with these Conditions of Business shall be entitled to recover its reasonable outside attorneys' fees and other expenses incurred in such proceeding or action, in addition to any other relief to which it may be entitled. These Conditions of Business shall be governed by, interpreted under, construed and enforced in accordance with the internal laws of the State of California and subject to the exclusive jurisdiction of the state and federal courts located in California.

9.5 Compliance with Laws. The Customer will, at all times, comply with all applicable laws, rules and regulations relating to the use, shipping, handling or transport of the Equipment including, but not limited to all environmental, occupational health and safety or other such laws, rules and regulations.

9.6 Waiver. Any failure by VRi to insist upon strict performance by the Customer of any terms or conditions contained in this agreement shall not be taken to be a waiver thereof and no waiver by VRi or one breach of any term or condition in this agreement, whether express or implied, shall operate as a waiver of another breach of the same or of any other terms or conditions in this agreement whether expressed or implied.

9.7. Notices. All notices under or in connection with these Conditions of Business shall be sent to the designated recipient at the respective address indicated (a) in the case of the Customer, in their account information, and (b) in the case of VRi, at the address shown on the Delivery Receipt or invoice, to the attention of the General Manager. All notices shall be in writing and shall be sent by prepaid mail, by reputable overnight courier service, or by facsimile with a hard copy via prepaid mail.

I CERTIFY THAT I AM AUTHORISED TO BIND THE CUSTOMER TO THE CONDITIONS OF BUSINESS AS DETAILED ABOVE.
BY AUTHORIZED SIGNATORY:

Signed:

Name:

Company:

Position: _____ Date: