

EQUIPMENT RENTAL AGREEMENT

THIS AGREEMENT, made and entered into between Day-1 Production Services, hereinafter sometimes referred to as "Lessor" or "Day - 1", and the Lessee shown on the obverse hereof.

WHEREAS, Lessor is engaged in the business of renting and selling motion picture and video equipment, and

WHEREAS, Lessee hereby desires to rent the equipment indicated on the Equipment Lists attached hereto and by reference made a part hereof upon the terms and conditions hereinafter set forth, and desires to purchase the Purchase Items listed on the obverse hereof.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants between the parties, and other good and valuable considerations, the sufficiency and receipt of which is hereby acknowledged, it is agreed as follows:

1. Equipment Rented, Payment & Inspection

a. **Equipment Rented, Term.** Lessor hereby rents to Lessee, the items of equipment indicated on the Equipment List, attached hereto and by reference a part hereof Lessee agrees to pay Lessor the daily or weekly rates reflected on the current DAY-1 Schedule of Rental Rates, set forth in the DAY-1 Catalog # shown on the obverse hereof receipt of a copy of which is hereby acknowledged by Lessee, 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, including Saturdays Sundays and holidays. If said equipment is returned after 10:00 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 obverse hereof. Rental charges do not apply towards 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 the deposit, if any, shown on the obverse hereof. 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.

c. **Inspection** by Lessee. Lessee has inspected all rental equipment prior to the execution of this Agreement and found it to be in good condition; 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 expressed or implied.

2. Lessee's Responsibilities and Liabilities

a. **Delivery, Safekeeping and Return.** All equipment is rented at the offices of Lessor. 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 mode of transportation for returning said equipment to Lessor and bear all expenses

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in connection therewith, including any reasonable service charge imposed by Lessor.

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 except under circumstances over which Lessee has no control and where Lessee has exercised ordinary care, Lessee shall immediately replace such equipment with equipment of the same type, kind, quality and value, satisfactory to Lessor, and upon Lessee's failure to promptly make such replacement, Lessee shall immediately pay to Lessor the replacement value of such equipment as determined by Lessor or actual cost of replacement. During the period such equipment is not available for use by Lessee/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 in good condition, 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 which in the actual or constructive possession of Lessor 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 arbitrator of whether the break or defect resulted from normal wear and tear, and if found to be the case, then 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 forces, 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 of liability to third persons arising out of the use of said equipment.

f. **Property Loss.** Lessee represents that:

(1) Lessee has adequate property insurance to fully protect Lessor against loss, theft or damage of the equipment rented under this Agreement, a copy of said policy having been delivered to Lessor; or

(2) Lessee agrees to post a **bond** 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.

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 at all times, enter upon any premises where said equipment is being stored or used, and, if it is found that

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such equipment is being misused, abused or if Lessee is in default as to any of the provisions hereof, repossess said equipment or any part hereof 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, covenants 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 detained, or if proceedings in bankruptcy, receivership or insolvency shall be instituted by or that any judgment is obtained against the Lessee, or if for any against the Lessee or his property, or if the Lessee shall enter into any arrangement or composition with his creditors, or in the event other reason Lessor feels it is insecure, then and in that event, the Lessor shall have the option of declaring this Agreement terminated, and the Lessor may, without notice or demand, by process of law or otherwise retake possession of said equipment and, for such purpose, Lessor's equipment may be in use or being stored, and remove the same therefrom, 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 and Lessee shall hold Lessor harmless and indemnify Lessor against any such 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 it 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. Either or all of the foregoing remedies are expressly permitted, consented to and authorized by the Lessee.

6. Value of Rental Equipment

Lessee agrees that the value of the leased equipment in the event of any loss or damage during the rental period shall be the replacement costs of such equipment, lost or damaged, or comparable equipment in the event such lost or damaged, or comparable equipment in the event such lost or damaged equipment cannot be replaced in kind, plus applicable sales or use taxes, and plus applicable freight charges.

7. Sublease or Assignment

Without the prior written consent of Lessor, Lessee shall not sublease or assign the rental equipment to any third person or entity, and agrees that 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.

8. Tag or Nameplate

Lessee agrees not to permit defacement, obliteration, removal or otherwise cover or obscure the tag or nameplate on 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 shall remain in Lessor.

9. Lessor's Option to Terminate

Lessee hereby grants Lessor the option to terminate this Agreement on twenty-four (24) hours notice, either by mail, personal notice, telephone or telegram. Upon the

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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. Default by Lessee

In the event any of the payments hereunder become in default, or if Lessee shall fail to perform any other provision of this Agreement, then it is hereby stipulated and agreed that Lessor may file legal proceedings in any Superior or State Court in Fulton or DeKalb County, Georgia, and service a copy of process, summons and/or pleadings upon Lessee by U.S. Mail at the address shown above, and Lessee hereby consents to said jurisdiction and submits to said jurisdiction and venue for purposes of litigating any claim that might arise under this Agreement shall be governed by the law of the State of Georgia. In the event Lessor is required to file any legal action to enforce any provision of this Agreement, then Lessee agrees to pay all court costs, plus fifteen percent (15%) attorneys fees if collected by or through an attorney at law.

11. 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 the possession of Lessee.

12. 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, with the same formalities as **applied** to this **document**. Time is of the essence of this Agreement. This Agreement and the contents hereof represents the only warranties, express or implied, between the parties, including any implied warranty or merchantability or fitness for the particular **purpose** and for any other obligation or liability **on** the part of the Lessor. Lessor shall not be liable for any injury, loss or damage directly or consequently arising out of the use or inability to use the equipment, whether used singularly or in conjunction with any other equipment.

IN WITNESS WHEREOF, this Agreement has been signed and sealed by Lessee on the obverse hereof Lessee acknowledges that the list(s) of rented equipment is attached hereto, and that Lessee has received a copy of this Agreement with Equipment List Attached.