

High Output, Inc.
Film, Television & Video Equipment Rentals
Terms and Conditions Agreement

This Agreement, made and entered into between the Lessor and the Lessee. Whereas, Lessee hereby desires to rent the equipment listed on a Rental Agreement and on any attachment thereto upon the terms and condition hereinafter set forth. Now, Therefore, for and in consideration of the mutual promises and covenants between the parties, and other good valuable consideration, the sufficiency and receipt of which is hereby acknowledged, it is agreed as follows:

1. EQUIPMENT RENTED, PAYMENT AND INSPECTION

a. Equipment rented, term. Lessor hereby rents to Lessee, the items of equipment (hereinafter referred to as the "Equipment") listed on the Rental Agreement and any attachment thereto. Lessee agrees to pay Lessor the daily or weekly rates reflected on Lessor's current Schedule of Rental Rates, receipt of a copy of which is hereby acknowledged by Lessee, for each and every day until the Equipment is returned to Lessor's premises at the Address shown on the Rental Agreement, commencing on the Rental Start Date shown on the Rental Agreement and running to the date of return, including Saturday, 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 the Equipment on the Return Date shown on the Rental Agreement (hereinafter referred to as the "Return Date"). Rental Rates are subject to change without notice.

b. Payment. Lessor acknowledges receipt from Lessee of payment in advance of rental, if any, shown on the Rental Agreement. Lessee agrees to pay the remaining balance of all the rental, taxes, insurance, and all other charges immediately upon return of the Equipment or on the Return Date, whichever is earlier. Additionally, if the Return Date is more than two weeks after the Rental Start Date, then Lessee agrees to pay rent for every two week period following the Rental Start Date immediately at the end of every two week period until the return of the Equipment. Lessee's obligation to pay rental charges, tax, insurance and all other charges will be unconditional without abatement, deduction or set-off.

c. Suitability and inspection by Lessee. Lessee is responsible for determining what Equipment it needs for its job and inspecting said Equipment prior to delivery to Lessee, to determine if it is suitable for its needs and in good condition. Lessee acknowledges it has inspected all Rental Equipment prior to the execution of the Agreement and found it to be in good condition and suitable for its needs. Lessor is in no way responsible for any liability, claims, costs or expenses arising out of the use or possession of the Equipment by Lessee.

THE LESSEE REPRESENTS THAT THE EQUIPMENT IS OF A SIZE, DESIGN, CAPACITY AND MANUFACTURE SELECTED BY THE LESSEE AND SUITABLE FOR LESSEE'S INTENDED USE, AND IS IN SATISFACTORY CONDITION AND GOOD WORKING ORDER. THE LESSOR, NOT BEING THE MANUFACTURER OF THE LEASED EQUIPMENT NOR MANUFACTURER'S AGENT, MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESSED OR IMPLIED, AS TO THE FITNESS, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OR CAPACITY OF THE LEASED EQUIPMENT, NOR ANY WARRANTY THAT THE LEASED EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT WHICH PROVIDES FOR SPECIFIC EQUIPMENT OR SPECIFIC METHODS, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE ARE TO BE BORNE BY THE LESSEE AT ITS SOLE RISK AND EXPENSE. THE LESSEE FURTHER AGREES THAT THE LESSOR HAS NOT MADE ANY REPRESENTATION, WARRANTY OR COVENANT WITH RESPECT TO THE CONDITION QUALITY, DURABILITY, SUITABILITY OR MERCHANTABILITY OF THE EQUIPMENT IN ANY RESPECT OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT, EXPRESSED OR IMPLIED. THE LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LIABILITY, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT, BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN OR BY ANY INCIDENT WHATSOEVER IN CONNECTION THEREWITH.

2. LESSEE'S RESPONSIBILITY AND LIABILITIES

a. Delivery, Safekeeping and Return. The Equipment is rented at the premises of Lessor. Lessee hereby assumes full responsibility for selecting the mode of delivery of the Equipment from Lessor's premises to the Lessee, the safekeeping of the Equipment and keeping the Equipment in a state of good condition and repair, free from damage of any kind whatsoever, and the safe return of the Equipment to Lessor no later than the Return Date. All costs of delivery from Lessor to Lessee shall be borne by Lessee, and if said Equipment is shipped by Lessor to Lessee, such

shipment may be on a collect basis. Lessee shall also select the mode of transportation for returning the Equipment to Lessor and shall bear all expenses in connection therewith, including any reasonable charge imposed by Lessor for cleaning the Equipment. Lessee agrees to assume full responsibility and liability for the safekeeping and return to Lessor's premises of all items of Equipment, from the time the Equipment leaves Lessor's premises until it is returned.

b. Destroyed, Lost or Stolen Equipment. In the event that all or any of the Equipment is destroyed as a result of any cause whatsoever, lost or stolen, whether in transit to or from Lessee or while in the actual or constructive possession of Lessee hereunder, Lessee shall immediately pay to Lessor the replacement value of such Equipment as determined by Lessor or the actual cost of replacement. During the period such Equipment is not available for use by either Lessor or Lessee because of being so destroyed, lost or stolen, the Rental Rate for such Equipment shall be paid by Lessee to Lessor until it is again available or replaced.

c. Damaged Equipment. Lessee has inspected each and every item of Equipment 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 the Equipment is returned to the Lessor. Lessee shall use the Equipment as it was designed to be used and shall not misuse it. Lessee shall use the Equipment in a careful and proper manner and shall comply with and conform to all Federal, State, municipal and other laws or ordinances and regulations in any way relating to the possession or use of the Equipment. Lessee shall not in any way alter or modify the Equipment. In the event any item of Equipment is damaged either in transit or while in the actual or constructive possession hereunder of Lessee, or its agents or employees, it is hereby agreed that Lessee shall immediately return such damaged Equipment to Lessor for repair or restoration to its original, serviceable condition. Lessee shall pay all costs of such repairs or restorations, 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 should break and become unserviceable during the rental period, Lessor shall be the sole arbitrator of whether such break resulted from normal wear and tear, and if it did result from normal wear and tear, then the Rental Rate shall not apply after the date such Equipment is returned to Lessor's premise. If, on the other hand, Lessor determines that such breaks resulted from misuse, improper use or any reason other than normal wear and tear, the Equipment shall be immediately returned to Lessor. Lessee shall pay the costs of repairs, and the Rental Rate shall continue until repairs are completed.

e. Indemnity. Lessee represents that it has the necessary skill and experience to operate equipment provided by Lessor. Lessee agrees to and does hereby indemnify and hold harmless Lessor from any and all claims, suits, liability, expense, damage, causes of action or judgments, including attorney's fees, resulting from injury to or death sustained by any person or persons, including but not limited to Lessee, any subleases of Lessee, subcontractors and their respective employees, or damage to property of any kind, including, but not limited to the Equipment, which injury, death, or damage arises out of or is in any way connected with the use, operation or possession of the Equipment by anyone during the term of the Agreement and until the Equipment is returned to Lessor, including, but not limited to, the failure to repair, maintain or operate the Equipment as required herein. This indemnity is meant to and does include any such injury, death or damage arising from any cause whatsoever, including, but not limited to, any alleged defect in the manufacture and design of the Equipment, and any acts or omissions, willful misconduct or negligent conduct, of Lessor, whether active or passive, except this indemnity shall not be applicable to any injury, death or damage arising from Lessor's sole negligence or sole willful misconduct.

f. Certificate of Insurance. Lessee shall maintain, at its own expense, liability, fire and extended coverage insurance on the equipment and insurance for such additional risks and in such amounts as Lessor shall require with carriers acceptable to Lessor, shall maintain a loss payable endorsement in favor of Lessor and affording Lessor such additional protection as Lessor shall require. All such insurance shall name Lessor as an insured party, and the policy shall provide that the policy may not be canceled or altered without prior written notice to the Lessor, and the loss payable endorsement shall provide that all amounts payable by reason of loss or damage to the equipment shall be payable only to Lessor. The Lessee shall deliver to the Lessor certificates of all such insurance simultaneous with the execution of the Rental Agreement.

3. INSPECTION BY LESSOR

During all times the Equipment is in the actual or constructive possession of Lessee, Lessor, its agents or employees may inspect the Equipment, enter upon any premises where the Equipment is being stored or used, and if it is found

that the Equipment is being misused, abused or if the Lessee is in default as to any of the provisions hereof, repossess the Equipment or any part thereof prior to the expiration of the Rental Agreement.

4. LOCATION

The Lessee shall not remove any of the Equipment from the Commonwealth of Massachusetts (or other state in which the Lessee is to use the equipment, as indicated on the Rental Agreement), without the prior written consent of Lessor. Lessee shall inform Lessor as to the exact location where the Equipment is being used or stored during the term of this Agreement.

5. LESSEE'S DEFAULT

If Lessee shall be in default under any of the terms, covenants and conditions herein or fail punctually to 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 Equipment might become or appear to become in danger of being seized, taken, or distrained, or if proceedings in bankruptcy, receivership or insolvency shall be instituted by or against Lessee or his property, or if Lessee shall enter into any arrangement or composition with his creditors, or in the event that any judgment is obtained against the Lessee, or in the event of any dissolution or cessation of business by the Lessee, or if for any other reason Lessor feels it is insecure, then and in any such event, 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 the Equipment at the expense of Lessee, with or without force, and with or without notice of intention to retake the same, without being liable to Lessee or any third person, and Lessee shall hold Lessor harmless and indemnify Lessor against any such claims or alleged liability to third parties. All of the foregoing remedies are expressly permitted, consented to and authorized by the Lessee and are in addition to any other remedies Lessor may have at law or in equity.

6. VALUE OF EQUIPMENT

Lessee agrees that the value of the Equipment in the event of any loss or damage during the rental period shall be the replacement cost of the Equipment, or cost of 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. SUBLEASES OR ASSIGNMENT

Lessee shall not sublease the Equipment or assign its interest herein to any third person or entity, without prior written consent of Lessor, and agrees at all times during the term of this Agreement to retain the Equipment in Lessee's exclusive possession, under Lessee's direct control and supervision. This Agreement is personal to Lessee.

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 the Equipment or displaying safety instruction. Lessee acknowledges that it only has right of possession and use of the Equipment pursuant to the terms of the Rental Agreement and has no option to purchase the equipment or any option to renew or extend the terms of the Rental Agreement without the written consent of Lessor. It is further agreed that at all times the title and ownership of the Equipment shall remain Lessor.

9. TERMINATION BY LESSOR

Lessor may terminate this Agreement on twenty-four (24) hour notice, either by mail, personal service, telephone or telegram. Upon such termination, Lessee shall forthwith return to Lessor's premises at Lessee's risk and expense, the Equipment in the same condition as it was when first delivered to Lessee.

10. ATTORNEY'S FEES AND JURISDICTION

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 the Superior Court, Suffolk County, Massachusetts, and serve summons and/or pleadings upon Lessee by US Mail at the address shown on the Rental Agreement and Lessee hereby consents to said jurisdiction and submits to said venue. This Agreement shall be governed by the law of the Commonwealth of Massachusetts. If any provision of this agreement shall be found to be invalid or unenforceable, the remainder of the provisions of this agreement shall not be affected thereby, and this agreement shall be enforced to the maximum extent permitted by law. In the event that Lessor shall be required to commence any action to enforce any provision of the Rental Agreement, Lessor shall be entitled

to recover its attorney's fees and all other costs and expenses incurred by Lessor in enforcing the provisions of this Rental Agreement.

11. TAXES

Lessee agrees to reimburse Lessor for any state or local personal property taxes which might be levied upon the Equipment or use of the Equipment while in the possession of Lessee.

12. MISCELLANEOUS

The acceptance of the return of the 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 representation, if any, and may not be amended or modified except in writing, signed by both parties. 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 of 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 alone or in conjunction with any other equipment. This agreement shall be binding upon the Lessee and its successors and permitted assigns, and this agreement shall inure to the benefit of the Lessor and its successors and assigns.

13. APPLICABILITY

This Rental Agreement shall not be applicable to Lessor and Lessee where a separate Lease, other than this Rental Agreement, has been executed by them.

Company: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax Line: _____

Signed: _____ Date: _____

Position: _____