



CUSTOMER PROFILE

OFFICE USE ONLY	
by	<u>Web</u>
date	_____

For the purpose of establishing an account and, if applicable, applying for Credit * with Foto-Kem Industries, Inc., ("Company") and to enable Customer to utilize Company's services, Customer makes the following statement in writing, intending that Company rely thereon respecting the ownership and control of:

CUSTOMER _____ Hereinafter referred to as "Customer"
COMPANY NAME

Address _____
STREET CITY STATE ZIP CODE

Telephone () _____ FAX () _____ Federal I.D. NO. _____

Check One: Individual Limited Partnership General Partnership Limited Liability Company Corporation

In Business Since _____ / _____ Date Incorporated _____ / _____ State Incorporated _____
MONTH YEAR MONTH YEAR

Legal Business Name (if other than above) _____

CLASSIFICATION

- Theatrical Producer Music Video Television Educational Documentary Optical House
 Theatrical Distributor Commercials Cable TV Co. Industrial Student Films Facility (other)

PRINCIPAL OFFICERS, PARTNERS OR OWNERS

(The following information is required to enable the Company to contact you regarding any normal business matters including the return of your materials.)

1.	_____	_____	_____
	<small>NAME</small>	<small>SIGNATURE</small>	<small>DRIVER'S LICENSE NO.</small>
	_____	_____	_____
	<small>TITLE</small>	<small>EMAIL ADDRESS</small>	<small>SOCIAL SECURITY NO.</small>
	_____	_____	_____
	<small>HOME ADDRESS</small>	<small>CITY STATE ZIP</small>	<small>HOME TELEPHONE NO.</small>
2.	_____	_____	_____
	<small>NAME</small>	<small>SIGNATURE</small>	<small>DRIVER'S LICENSE NO.</small>
	_____	_____	_____
	<small>TITLE</small>	<small>EMAIL ADDRESS</small>	<small>SOCIAL SECURITY NO.</small>
	_____	_____	_____
	<small>HOME ADDRESS</small>	<small>CITY STATE ZIP</small>	<small>HOME TELEPHONE NO.</small>
3.	_____	_____	_____
	<small>NAME</small>	<small>SIGNATURE</small>	<small>DRIVER'S LICENSE NO.</small>
	_____	_____	_____
	<small>TITLE</small>	<small>EMAIL ADDRESS</small>	<small>SOCIAL SECURITY NO.</small>
	_____	_____	_____
	<small>HOME ADDRESS</small>	<small>CITY STATE ZIP</small>	<small>HOME TELEPHONE NO.</small>

OTHER AUTHORIZED REPRESENTATIVES

In addition to those listed above, the following individuals are employees or agents of Customer who may remove Customer's vaulted Elements or authorize Company to release vaulted Elements to a third party. (All removal requests must be submitted to Company in writing) It is understood by all parties that pick up of Customer orders is not limited to these individuals. (Any changes to this authorization must be in writing.)

1.	_____	_____	_____
	<small>NAME</small>	<small>TITLE</small>	<small>SIGNATURE</small>
2.	_____	_____	_____
	<small>NAME</small>	<small>TITLE</small>	<small>SIGNATURE</small>
3.	_____	_____	_____
	<small>NAME</small>	<small>TITLE</small>	<small>SIGNATURE</small>
4.	_____	_____	_____
	<small>NAME</small>	<small>TITLE</small>	<small>SIGNATURE</small>
5.	_____	_____	_____
	<small>NAME</small>	<small>TITLE</small>	<small>SIGNATURE</small>
6.	_____	_____	_____
	<small>NAME</small>	<small>TITLE</small>	<small>SIGNATURE</small>

* A Credit Application must be completed and approved before Customer may purchase goods and services on an open account basis.
 Form # 2053-10 (4/01)



CREDIT APPLICATION & CONTINUING GUARANTY

OFFICE USE ONLY	
by _____	Web _____
date _____	

CUSTOMER _____

Hereinafter referred to as "Customer".

Address _____ () _____
TELEPHONE

ACCOUNTING CONTACT / INFORMATION

Name _____

Title _____

Telephone _____

Amount of high credit desired monthly \$ _____

CUSTOMER PURCHASE ORDER INFORMATION

Are Purchase Orders required? NO YES* WRITTEN VERBAL

* If not provided, work may be delayed.

* Dailies will be processed but not released until your purchase order is received.

* Purchase Orders must be submitted when booking telecine time. It is best to issue separate P.O.'s for film and video.

* FotoKem's Terms and Conditions control.

SUBSIDIARIES, AFFILIATES, PARENT COMPANY

1. _____
NAME ADDRESS
2. _____
NAME ADDRESS

BANK ACCOUNTS

NOTE: For multiple bank locations, please photocopy the bank authorization form and sign one for each bank.

1. _____ () _____
NAME ADDRESS OR BRANCH ACCT. TYPE TELEPHONE
2. _____ () _____
NAME ADDRESS OR BRANCH ACCT. NO. ACCT. TYPE TELEPHONE

TRADE REFERENCES (Labs, Optical or Sound Houses, Video Facilities)

1. _____ () _____
NAME ADDRESS TELEPHONE
2. _____ () _____
NAME ADDRESS TELEPHONE
3. _____ () _____
NAME ADDRESS TELEPHONE

Has Principal(s) had credit with Laboratory / Video Facility under other company name? Yes No

Name of company(s) _____

Laboratories previously used _____

CUSTOMER SIGNATURE: _____ TITLE DATE

CONTINUING PERSONAL GUARANTY

To induce Foto-Kem Industries, Inc., (hereinafter referred to as "Company"), to extend credit, the undersigned (individually and/or collectively referred to as "Guarantor"), jointly and severally, personally guaranty the timely payment of all moneys to be paid, and the performance of all things to be done pursuant to each and every agreement, condition and covenant contained in Company's Terms and Conditions or in any supplement or amendment thereto, or in any instrument given in pursuance thereof, as well as the timely payment of all other obligations which above listed customer at any time may owe to Company.

Guarantor acknowledges and agrees that this is a continuing personal guaranty, and this guaranty shall not be impaired by any modification to which the parties may hereafter agree, or by any modification, release, or other alteration of obligations guaranteed, or of any security therefore, to all of which the Guarantor hereby consents. The liability of Guarantor is direct and unconditional and may be enforced without requiring Company to resort to any other right, remedy or security, including but not limited to pursuing recovery from the Customer.

If Company retains counsel to enforce this guaranty or to make collection of any amounts due to Company, Guarantor agrees to pay reasonable attorney's fees and costs incurred by Company.

Executed by the undersigned Guarantor this _____ day of _____ 200_____ .

GUARANTOR SIGNATURE ADDRESS

GUARANTOR SIGNATURE ADDRESS



CREDIT CARD AUTHORIZATION FORM

Company Name: _____ Acct. Code: _____

Credit Card #: _____		Exp. Date: _____
<input type="checkbox"/> Visa	<input type="checkbox"/> Mastercard	Last 3 digits on back of card: _____

<input type="checkbox"/> American Express	<input type="checkbox"/> Discover	Security Code # on front of card: _____

Cardholder: _____

Billing Address of Card Holder: _____

City, State, Zip: _____

Telephone #: _____

Email Address: _____

Project Title: _____

FotoKem Contact Name: _____

I/We hereby authorize Foto-Kem Industries, Inc. to charge the credit card above, and agree to conditions listed below.

- The estimated value of each order will be reserved against credit card for further reconciliation upon final invoicing.
- Credit card will be used for all titles unless otherwise specified.
- Inactive accounts and those with expired credit cards will revert to COD.
- **Please include front and back of credit card on a separate page.**

Card Holder Signature

Date

Name (Printed)

**Return via fax or email to Leslie Acuna
at Foto-Kem Industries, Inc – Credit Dept.
F: 818.841.2247 or lacuna@fotokem.com**



**BANK AUTHORIZATION INQUIRY
AND AUTHORIZATION**

Date: _____

This will authorize your Banking institution to release information to FotoKem Industries, Inc.

To: (Bank Name and Address):

To expedite, please forward to your bank and have them fax directly to us at (818) 841-2247.

***BANK USE ONLY**				
<u>CHECKING/SAVINGS</u>				
Account Number	Date Opened	Average Balance	Rating	
_____	_____	_____	_____	
_____	_____	_____	_____	
_____	_____	_____	_____	
<u>LOAN INFORMATION</u>				
Loan Date	High Credit	Balance Due	Past Due	Rating
_____	_____	_____	_____	_____
Is Loan Secured?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	By What? _____	

Thank you for your cooperation.

Sincerely,

Company

Signature

Title

Re: (Customer Name and Address)

Signature

Title

1. DEFINITIONS: In this document, the following definitions apply.

1.1 "Agreement" means the written agreement, if any, between Company and Customer for service or material and also includes the Customer Profile, these Terms and Conditions and any Credit Application and Company's form of Purchase Order from Customer.

1.2 "Company" means Foto-Kem Industries, Inc., a California corporation.

1.3 "Company Liability" means any and all liabilities, losses, damages, (also including consequential and incidental damages) demands, claims, causes of action, judgments, and all related legal fees, costs and expenses.

1.4 "Customer" means the person or entity applying for an account or requesting services or materials from Company.

1.5 "Elements" means all film negatives, master positives, master videotapes, submaster videotapes, submaster positives, sound tracks, reversal originals, reversal intermediates, cuts and trims, positive prints or video dubs, separations, audiotapes, sprocketed magnetic film, sound track optical negatives, computer diskettes and any other physical material and the contents and rights to all the foregoing.

2. OWNERSHIP OF ELEMENTS:

2.1 Warranty: Customer represents and warrants that Customer is the sole owner or the duly authorized representative of all owners of the Elements delivered to Company by Customer (or for Customer's account) and all intellectual property contained in or represented by the Elements.

2.2 Authority: Customer represents and warrants that Customer has the legal right and authority to enter into the Agreement and to engage Company to perform all work under the Agreement, and that all facts stated in any document comprising the Agreement are true and complete.

2.3 Transfer: As long as Customer is indebted to Company, Customer shall not sell, assign, pledge, hypothecate, loan or otherwise encumber or purport to transfer all or any interest in any of the Elements or any right therein without prior written notice to Company.

2.4 Indemnity: Customer shall indemnify, defend and hold Company harmless from all actual or potential Company Liability, arising out of or in connection with the breach of any Customer warranty or representation or the publication, processing, use, distribution, contents or exhibition of Elements, including, without limitation, any claimed libel, slander, defamation, invasion of privacy, misappropriation of personality or infringement of patent, copyright, trademark, trade name, or other proprietary right.

2.5 Claim: Company shall have no obligation to investigate the validity of any claim adverse to Customer or Company by any third party with regard to ownership, right to possession or control of the contents of the Elements or any other matter. Customer shall indemnify, defend and hold Company harmless from any and all actual or potential Company Liability that may result from action taken by Company as a result of any such claim.

2.6 Response: Within 48 hours after Company provides notice of a claim to Customer, Customer shall notify Company in writing of the response Customer proposes. Thereafter, Company, at its sole discretion, shall have the option to take any reasonable action Company deems appropriate to protect its interests, including but not limited to, releasing or otherwise dealing with any or all of the Elements as requested in the claim, rejecting the claim in whole or in part, restricting access to the Elements or interpleading the Elements. Customer shall indemnify, defend and hold Company harmless from all actual or potential liability arising out of or in connection with any such action.

3. PAYMENT:

3.1 Prices, Sales and other Taxes: All prices are F.O.B. Company's facility, and do not include sales, use, manufacturing, excise, processing or other taxes, which may be imposed by any government authority. Customer shall indemnify Company for all taxes which Company may be required to pay or collect under any existing or future law in connection with the services or goods provided by Company.

3.2 Terms and Adjustments: Each invoice from Company shall be due and payable on presentation, or if Company has granted Customer an open account, within 30 days of the invoice date. Customer shall comply with credit terms extended by Company. Any invoice not paid when due shall bear interest at the rate of 1.5% per month (18% per year). Customer shall present any claim for adjustment of an invoice in writing within thirty (30) days from the date of the invoice. Customer waives any claim for adjustment which is not presented within this time.

3.3 Third Party Payment: Company shall have no obligation to accept work submitted by Customer to be billed to a third party. If Company accepts such work, Customer and the third party are jointly and severally liable for payment to Company.

3.4 Shipping: After receipt of written instructions from Customer, Company shall use reasonable efforts seeking to cause Elements to be transported to the destination requested, all at Customer's expense and risk. In the absence of written instructions identifying the carrier or means of shipment, Company shall have the right to make all shipments of Elements via carrier or means Company selects. Unless requested by Customer in writing, Company will not insure shipments through the carrier selected.

3.5 Overtime: Customer acknowledges that rates in Company's price list are based on use and operation of Company's facilities and employment of personnel and equipment during normal working hours, and are subject to increase, on notice to Customer, for work performed on Saturdays, Sundays, holidays or otherwise outside normal working hours.

3.6 Price Changes: Company may from time to time increase charges shown on the price list based on changes in prices of film, chemicals, other materials used by Company, manufacturing or labor (which shall also include fringe benefits) or other costs or market conditions. Company shall endeavor to give notice to Customer of any such price change.

3.7 Cancellation Fees: In the event of untimely cancellation of work ordered or scheduled, Customer shall pay Company cancellation fees according to the schedule on Company's price list, or as provided below, whichever is less.

a. **All Film Products, Video Duplication or Other Non-Hourly Service:** Cancellation fees will be determined by Company relative to the amount of work completed.

b. **Videotape Editing, Mastering, Telecine or any other Hourly Services:** Cancellation made 24 hours or more (excluding weekends) before the time work is scheduled by Company to begin, will incur no cancellation fee. Cancellation made less than 24 hours prior to the time work is scheduled by Company to begin, will incur a cancellation fee of 100% of the estimated costs of the project.

3.8 Attorneys' Fees: Customer shall reimburse all attorneys fees incurred by Company in or in connection with (a) any litigated or non-litigated dispute between Customer and any other person or entity which involves or results in a demand or conflicting demands on Company; (b) any interpleader action involving Company; (c) any litigation or non-litigation action taken by Company to demand payment of, or for the collection of, amounts due or overdue to Company; (d) the interpretation or enforcement of this Agreement; or (e) any other dispute between or involving Customer and Company.

4. RIGHT TO REFUSE PERFORMANCE:

4.1 Generally: In addition to Company's rights above, Company may, without liability to Customer, refuse to perform any service or provide any goods which Company, in its sole discretion, believes could potentially expose Company to a claim or be found to be in any way unlawful, pornographic, defamatory or degrading, or which Company deems as potentially tending to incite prejudice or passion. If Company determines that any such risk exists, Company shall have the right to stop further work, entirely or in part, and retain possession of all Elements until Customer has paid in full for work performed. Other than the obligation to return the Elements on receipt of payment in full from Customer, Company shall incur no further obligation of any kind to Customer.

4.2 Imperfect or Old Elements: Company shall have sole discretion to refuse to accept for processing Elements in old, shrunken, or other imperfect or unusual photographic or physical condition, or any nitrate material. If any such material is accepted for processing, Company shall not be responsible for resulting defects. Company shall have the right, on notice to Customer, to make additional charges for time and materials used, whether or not a satisfactory Element is produced by Company.

5. LIMITATIONS OF WARRANTY: EXCEPT AS EXPRESSLY STATED IN THESE TERMS AND CONDITIONS, COMPANY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, DESCRIPTION, QUALITY, CHARACTER, OR OTHERWISE WITH RESPECT TO THE SERVICES OR GOODS PROVIDED BY COMPANY.

6. STORAGE AND REMOVAL:

6.1 Storage: At Customer's written request, and sole risk, Company will store Elements during the time of production, release printing or dubbing and for a reasonable period afterward, up to 6 months. Thereafter, Customer shall pay Company a storage charge of \$2.00 per month per unit of film or videotape, or such other rate as Company then charges for storage. Company may store such Elements at any place or places Company deems appropriate, still at Customer's risk. At any time, Company may require Customer to retake possession of any or all of Customer's Elements (vaulted or otherwise).

6.2 Request to Store in Vault: Storage of Elements in A Company vault may but does not necessarily provide security or safety additional to Company's other storage methods. Company shall have no obligation to store Customer's Elements in a vault, unless Company agrees to Customer's written request to do so. Company shall use reasonable efforts seeking to implement Customer's reasonable instructions. Company shall not be liable for inaccurate instructions or failure to comply with instructions.

6.3 Name: Customer shall have sole responsibility to ensure that the Elements and each of their components are vaulted under the proper Customer name. If any Elements are vaulted in the name of a third party, Company may release the Elements to the third party or a representative thereof without notice to Customer or liability. Company reserves the right to request a written request authorizing the release of each vaulted Element, signed by an individual specifically authorized as set forth on the Customer Profile or written modification thereof. Company shall have no obligation to provide Elements stored in Company's vault to any individual other than indicated on the Customer Profile. Customer shall notify Company in writing of any change of individuals authorized to receive vaulted Elements.

6.4 Elements Outside the Vault: Company shall have the right to make Elements not stored in the vault available for pick-up on a will-call basis, and to release such Elements at the will-call window to individuals who purport to have authority to receive them. Customer shall notify Company in advance in writing of any requested limitation or restriction of the release of Elements at Company's will-call window. Company will not be responsible nor incur liability for release of any Elements at the will-call window. Company reserves the right to vault or otherwise store any Elements that remain unclaimed in Will-Call after fourteen (14) days. Storage charges on these Elements will apply immediately.

6.5 Removal: Within Thirty days after written notice to Customer at Customer's last known address as it appears in Company's records, Customer shall, at Customer's sole expense, remove all Elements in storage, whether in the vault or otherwise. If Customer fails to do so, at Company's sole option. Company shall have the right, without liability to Customer or any other person, to either 1) ship or deliver the Elements at Customer expense to Customer at Customer's last known address as it appears in Company's records; 2) send Customer's Elements to a public warehouse or film storage facility to be held in the name of, for the account of and at the sole risk of Customer, at a rate obtained in good faith by Company; or 3) destroy or otherwise dispose of the Elements. **THE LIMITATION OF LIABILITY PROVISIONS OF SECTION 9 SHALL APPLY TO THE DISPOSITION OR DESTRUCTION OF CUSTOMER'S ELEMENTS IN ACCORDANCE WITH THIS PARAGRAPH.**

7. STANDARD SYNCHRONIZATION LEADERS: Customer shall supply Company with negatives with standard leaders bearing clean and proper synchronization marks. Any errors in synchronization shall be solely Customer's responsibility, and Company shall bear no liability related thereto. Customer shall indemnify, defend and hold Company harmless from any Company liability arising out of or connected with any synchronization.

8. MISCELLANEOUS:

8.1 All Work: This Agreement applies to all Company work performed, services rendered and material furnished for the account of Customer until rescinded, terminated or modified by a subsequent written agreement.

8.2 Entire Agreement: The Agreement constitutes all the terms and conditions, including, without limitation, all representations and warranties, agreed by the parties, and replaces and supersedes any provisions on the face or reverse side of any purchase order submitted by Customer other than Company's form or any attachment thereto or any prior general agreement inconsistent with the terms hereof. There are no terms and conditions, either oral or written, between the parties, except as stated herein. No modification or waiver or unenforceability of any one or more provisions of this Agreement shall affect the validity or enforceability of the remaining provisions.

8.3 Remedies Are Cumulative: The failure of Company in any one or more instances to insist on performance of any provision of this Agreement or to exercise any right or privilege in this Agreement shall not be construed as a waiver of any breach or of any other right or privilege.

8.4 Interpretation: Paragraph headings are for convenience only and shall have no effect on the interpretation of this Agreement. The terms of this Agreement shall be interpreted and construed according to their fair meanings and not strictly for or against Customer or Company.

8.5 Governing Law: Any claim of breach, or dispute as to validity, construction or performance of this Agreement shall be governed by and construed and enforced according to laws of the State of California. Jurisdiction and venue for any suit, action or proceeding arising out of or relating to this Agreement, shall be proper in any State or Federal court in the County of Los Angeles, State of California.

8.6 Notices and Communications: All notices and communications required or permitted hereunder to Company shall be sent to: Foto-Kem Industries, Inc., P.O. Box 7755, Burbank, California 91510, unless Company notifies Customer otherwise in writing. All notices and communication to Customer shall be sent to Customer at any address shown as an address of Customer in Company's records. Any notice or communications required or permitted hereunder shall be given in writing and shall be deemed to have been duly given 72 hours after deposit in the United States Mail, as certified mail, return receipt requested with postage pre-paid.

8.7 Credit Application/References: If Customer applies for credit with Company, Customer authorizes Company to verify the information stated by Customer on the credit application and to obtain any other information Company may request. References are hereby authorized and directed to release such information to Company.

8.8 Modification: The terms of this Agreement shall be modified and/or superseded by the terms of any future forms of these terms and conditions appearing in any invoice or other standard form provided by Company to Customer. These Terms and Conditions as revised 2-00 are retroactively effective to Customer's first work performed by Company and to the date Customer's Elements were first stored by Company. These terms may be amended, waived or modified only by a written agreement signed by Customer and by an authorized officer of Company. Sales personnel of Company are not authorized officers of Company for this purpose.

8.9 Execution: This Agreement shall not be deemed executed until accepted by Company at its place of business in Burbank, California.

9. LIABILITY LIMITATIONS AND INSURANCE:

9.1 Acknowledgments: Customer acknowledges that Company's prices are based on Company's assessment of the value of its good and services, and are not based on value of Elements. Customer acknowledges and agrees that Elements are received, processed, and stored at Customer's risk. Additionally, Company reserves the right to provide Elements to any person to whom Company assigns or subcontracts all or any of the work. Customer acknowledges being informed that **COMPANY IS NOT OBLIGATED TO PURCHASE INSURANCE FOR THE ELEMENTS AND THAT CUSTOMER SHALL BE SOLELY RESPONSIBLE TO INSURE THE ELEMENTS.**

9.2 Liability Limits for Damage to or Loss of Elements: COMPANY SHALL NOT BE LIABLE FOR LOST PROFITS, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR OTHER DAMAGES CAUSED BY (A) LOSS, DAMAGE OR DESTRUCTION OF ANY ELEMENTS, OR OTHER PROPERTY; (B) DELAY IN PROVIDING OR FAILING TO PROVIDE GOODS OR SERVICES; (C) DEFECTIVE PRODUCTS OR SERVICE PROVIDED BY COMPANY; OR (D) ERRORS BY COMPANY IN LABELING OR SHIPPING OR DELIVERY, EVEN IF ANY OF THE FOREGOING, (A) THROUGH (D), ARE CAUSED BY NEGLIGENCE OF COMPANY OR COMPANY'S PERSONNEL. COMPANY'S LIABILITY SHALL BE LIMITED TO REPLACEMENT OF A SIMILAR QUANTITY OF UNEXPOSED RAW STOCK OR NEW UNRECORDED TAPES FOR THE QUANTITY OF THE ELEMENTS WHICH ARE LOST, DAMAGED OR DESTROYED, RETURN OF ELEMENTS WHEN GOODS OR SERVICES HAVE BEEN DELAYED OR NOT PROVIDED, REPLACEMENT OR REPAIR OF DEFECTIVE GOODS OR SERVICES PROVIDED BY COMPANY, CORRECTION OF LABELING OR SHIPPING OR DELIVERY ERROR. COMPANY SHALL HAVE NO FURTHER LIABILITY REGARDING SUCH ELEMENTS. COMPANY'S TOTAL LIABILITY TO CUSTOMER OR ANYONE ELSE FOR ANY REASON WHATSOEVER SHALL NOT EXCEED THE PORTION OF THE PRICE ACTUALLY PAID BY CUSTOMER TO COMPANY FOR THAT PORTION OF THE GOODS FURNISHED AND/OR SERVICES RENDERED BY COMPANY UNDER THIS AGREEMENT.

9.3 Prompt Notice and Time Bar: Customer shall return any defective Element and provide Company written notice of any imperfection or error or claim in the time stated in Section 9.5.

9.4 Liability Limitations for Delay and Delivery: SHIPPING AND DELIVERY DATES ARE ONLY APPROXIMATIONS. COMPANY SHALL NOT BE LIABLE TO CUSTOMER OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR LIABILITY CAUSED BY DELAY IN DELIVERY OR SHIPPING, OR FAILURE TO PROVIDE NOTICE OF ANY DELAY. ADDITIONALLY, COMPANY SHALL NOT BE LIABLE FOR DELAY CAUSED BY ANY REASON INCLUDING, BUT NOT LIMITED TO, WEATHER, ACT OF GOD, ACT OF CUSTOMER, ACT OF CIVIL OR MILITARY AUTHORITY, FIRE, FLOOD, EARTHQUAKE, EPIDEMIC, QUARANTINE, WAR, RIOT, STRIKE, LABOR DIFFICULTIES, EQUIPMENT FAILURE, DELAY IN TRANSPORTATION OR SHORTAGE IN MATERIAL. IN THE EVENT OF DELAY, THE APPROXIMATE DELIVERY OR SHIPPING DATE SHALL BE DEEMED EXTENDED TO A PERIOD NO LESS THAN THE LENGTH OF THE DELAY.

9.5 Claims and Notice: Customer shall notify Company in writing of any claim or potential claim related to or arising out of the services provided under this Agreement within ninety (90) days after the earliest of shipment or the date Customer knew or the date the Customer should have known of such claim. Any claim that Customer fails to provide written notice of within this time shall be deemed to be waived, released and permanently barred.

9.6 Insurance: Company shall have no obligation to insure any of Customer's Elements while in Company's possession, in transit or otherwise. Customer acknowledges Company's recommendation that Customer order a protection Element of each cut negative and fully insure the Elements against all insurable risks, including loss, destruction or damage while in Company's possession, in transit or otherwise. Customer shall be solely responsible to fully insure all Elements. Without limiting other provisions within this Article 9 pertaining to limitation of damages, in no event shall Company be liable for any loss of or damage to the Elements.

9.7 NO CONSEQUENTIAL DAMAGES: IN NO EVENT SHALL COMPANY, ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS, BE LIABLE FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES WHATSOEVER INCLUDING BUT NOT LIMITED TO THOSE RESULTING FROM ANY DEFECTIVE ELEMENTS, PRODUCTS OR EQUIPMENT DELIVERED, PRODUCED OR PROVIDED BY THE COMPANY; RESULTING FROM LOSS OF, DAMAGE TO, OR DESTRUCTION OF THE ELEMENTS FROM IMPROPER STORAGE, PROCESSING, PACKING, RELEASE, DELAY IN DELIVERY OR SHIPMENT, OR ERRORS IN SHIPMENT OR LABELING BY COMPANY.

10. COMPANY LIENS:

10.1 Security Interest: In addition to any other liens, rights or remedies of Company under this Agreement or applicable law, Customer grants, assigns and transfers to Company a security interest in and lien on all Customer's rights, title and interest in the Elements of Customer in the possession of Company, as security for payment for any and all services performed and goods furnished to Customer by Company. If the Elements are voluntarily delivered to Customer or some third person prior to payment to Company for such materials and services, the liens and security interest shall not be extinguished but shall survive until payment in full has been received. Customer grants Company its power of attorney to execute and file such documents, including any UCC financing statements as may be required or become necessary or appropriate to perfect and give public notice of such security interest.

10.2 Cumulative Rights: ALL LIENS, RIGHTS AND REMEDIES OF COMPANY SHALL BE DEEMED CUMULATIVE AND NOT EXCLUSIVE OF ONE ANOTHER. THE EXERCISE BY COMPANY OF ANY RIGHT OR REMEDY SHALL NOT PRECLUDE ITS RIGHT TO ENFORCE ANY ONE OR MORE OTHER RIGHTS AND REMEDIES. IF COMPANY EXERCISES ITS RIGHT HEREUNDER BY SELLING THE ELEMENTS AT PUBLIC OR PRIVATE SALE, THAN CUSTOMER AGREES TO PAY TO COMPANY ON WRITTEN DEMAND WHATEVER DEFICIENCY MAY BE DUE AFTER THE PROCEEDS ARE APPLIED TO PAYMENT OF THE INDEBTEDNESS, INCLUDING WITHOUT LIMITATION, ALL LEGAL AND OTHER COSTS, EXPENSES AND CHARGES INCURRED IN THE COLLECTION, SALE, DELIVERY OR PRESERVATION OF THE ELEMENTS.

10.3 Title to Buyer: If Company shall enforce any rights under this Agreement or applicable law, Company or any other party acquiring any right, title or interest in or to any Elements at public or private sale is hereby granted all rights, title and interest of Customer in such Elements, including, without limitation, the unrestricted right and license to distribute, exhibit and otherwise exploit such Elements by all media for its own account.

11. SIGNATORIES: Customer represents and warrants that the representations made by Customer in this Agreement are true and correct, and that Customer has read the foregoing terms and conditions and agrees that all Elements submitted to Company, and work performed and services rendered for the account of Customer, shall be governed by this Agreement.

Company Name ("Customer")

(Signature)

(Street Address)

(Print Name)

(City, State, Zip)

(Title)

(Phone):

(Fax):

(Date)

Web

EQUIPMENT RENTAL and SERVICE AGREEMENT

Terms & Conditions

1) **Introduction.** This Equipment Rental and Service Agreement and all other associated documents related to the lease or rental of Foto-Kem non-linear editing systems, record equipment, and/or nextLAB® mobile systems are the “Transaction Documents” and collectively are the “Contract” between the parties regarding the lease or rental of Foto-Kem non-linear editing systems, record equipment, and/or nextLAB® Mobile On-Location and/or Near-Location Systems (the “Equipment”) and any postproduction and/or other services described in the Transaction Documents (the “Services”), which may include any Data Hosting Services (as defined below).

2) **Definitions.** “FotoKem” shall mean and refer to Foto-Kem Industries, Inc., a California corporation, which owns the Equipment and/or provides any Services specified in the Contract. “Lessee” shall mean and refer to the other party whose name appears in the Equipment Rental and Services Agreement Contract. “Lessee Data” shall refer to digital images, digital sound, metadata and other data provided by Lessee to FotoKem or created by Lessee and recorded or stored in the Equipment. “System” means FotoKem’s mobile or fixed servers, the Equipment, and related components that permit users to store, access, edit, alter, manipulate and/or copy digital data. “Data Hosting Services” refers to Services provided by FotoKem and its System that facilitates the recordation, storage, upload, download and manipulation of Lessee Data.

3) **Rent and Rental Period.** Lessee agrees to lease the Equipment from FotoKem for the price and “Rental Period” and pursuant to the other terms and conditions stated in the Contract. Rent at the daily or weekly rate specified in the other Transaction Documents shall accrue at all times during the Rental Period. The Rental Period shall commence on the date when the Equipment leaves FotoKem premises, or on delivery of Equipment to Lessee, as stated in other Transaction Documents, and shall continue with respect to each item of Equipment until the item is returned to FotoKem premises in proper working order. No credit against the amount of rent that accrues shall be allowed on the basis that any part of the Equipment was not used by the Lessee during the Rental Period. Acceptance of the Equipment by FotoKem on its return by Lessee shall not waive or prejudice any claim that FotoKem has or may have against Lessee. All accumulated rental payments shall be paid by Lessee, as stated in other Transaction Documents. No amount paid by Lessee as rent shall be applied toward any purchase of the Equipment by Lessee.

4) **Services and Service Period.** FotoKem shall provide the Services at applicable Service Fees and “Service Period” and pursuant to the other terms and conditions stated in the Contract. Service Fees as described in other Transaction Documents shall accrue at all times during the Service Period. The Service Period shall start on the date when the Services are initially made available to Lessee, and shall include the period of use specified in the other Transaction Documents, and shall continue with respect to each Service until that Service is terminated according to the Transaction Documents. Any FotoKem personnel providing Services shall be deemed to be a representative of Lessee and under Lessee’s direction and control while providing Services. FOTOKEM SHALL NOT HAVE LIABILITY OR RESPONSIBILITY TO LESSEE FOR THE ACTS OR OMISSIONS OF FOTOKEM PERSONNEL ENGAGED IN PROVIDING SERVICES, INCLUDING WITHOUT LIMITATION FOR ANY RESULTING PERSONAL INJURY, PROPERTY DAMAGE OR LOSS OR DESTRUCTION OF LESSEE DATA, WHETHER OR NOT COVERED BY LESSEE’S INSURANCE. FotoKem shall have the right, without liability to Lessee or any third party, to refuse to perform any Service which FotoKem,

in its sole discretion, believes could actually or potentially (a) expose FotoKem to a claim, or (b) expose FotoKem to public criticism, scorn, contempt or disdain, whether or not justified; or (c) be found to be or expose FotoKem to an accusation or allegation that it is in any way unlawful, pornographic, obscene, harassing, defamatory, degrading, or in violation of the rights of any third party. FotoKem shall not have any obligation to make any such determination. However, if FotoKem determines that any such risk exists, FotoKem shall have the right, without liability on its part, to stop further Services entirely or in part.

5) **System use.** In connection with accessing and using the System, Lessee agrees: (a) not to use, or allow use of, the System or Data Hosting Services in contravention of any federal, state, local, foreign or other law or rules; and (b) not to introduce into the System any code, routine or software not specifically authorized, in writing, by FotoKem, or collect information about the System or its users. Lessee agrees not to modify, adapt or make derivative works of all or any part of the System or reverse engineer all or any part of the System, or attempt to do so.

6) **Assumption of Liability.** LESSEE ASSUMES ALL LIABILITY UNDER COPYRIGHT, OTHER INTELLECTUAL PROPERTY LAWS AND OTHER LAWS, ARISING OUT OF THE PERFORMANCE OR NONPERFORMANCE BY FOTOKEM OF ANY SERVICES FOR LESSEE, ALSO INCLUDING WITHOUT LIMITATION ANY CLAIMED LIBEL, SLANDER, DEFAMATION, DISPARAGEMENT, INVASION OF PRIVACY, MISAPPROPRIATION OF PERSONALITY OR INFRINGEMENT OF PATENT, COPYRIGHT, TRADEMARK, TRADE NAME, TRADE SECRET OR OTHER PROPRIETARY RIGHT.

7) **Data Hosting Services.** During the Service Period for Data Hosting Services, FotoKem grants Lessee and Lessee's authorized users the right to access and use the System to receive and store Lessee Data. The parties acknowledge that, as between the parties, all rights, title and interest in Lessee Data belong to Lessee and all rights, title and interest in the System belong to FotoKem. Lessee and Lessee's authorized users shall use the System only for Lessee's own internal purposes and in accordance with any documents, terms or usage restrictions provided by FotoKem from time to time. Lessee shall not sublicense or otherwise provide or permit access to the System by any third party. FOTOKEM SHALL NOT HAVE ANY RESPONSIBILITY FOR, AND LESSEE SHALL TAKE ALL APPROPRIATE ACTION TO MAINTAIN AND PROTECT, LESSEE'S USER IDS AND PASSWORDS FOR THE SYSTEM. LESSEE SHALL BE LIABLE FOR ANY USE OR SECURITY BREACH ATTRIBUTABLE OR TRACEABLE TO LESSEE'S USER ID'S OR TO LESSEE'S ACTS OR OMISSIONS OR USE OF THE SYSTEM. FOTOKEM SHALL HAVE NO LIABILITY FOR ANY USE OR SECURITY BREACH ATTRIBUTABLE OR TRACEABLE TO LESSEE'S USER ID'S OR UNAUTHORIZED ACCESS TO OR USE OF THE SYSTEM BY ANY ONE OR MORE PERSONS. FOTOKEM SHALL HAVE THE RIGHT WITHOUT LIABILITY, TO SUSPEND OR TERMINATE ACCESS TO THE SYSTEM AT ANY TIME WITHOUT NOTICE. On termination of Data Hosting Services, unless termination is due to breach by Lessee, FotoKem shall be willing to reasonably work with Lessee, at Lessee's expense, to transition Lessee Data to an alternate system of media.

8) **Data Storage Services.** On return of Equipment to FotoKem, FotoKem may purge Lessee Data from Equipment System storage. If Lessee requests that FotoKem store Lessee Data for a period of time following the rental Service Period, FotoKem shall charge Lessee data storage charges at FotoKem's then current rates, which may change from time to time. As of June 2011 the then current rate was fifty cents (\$.50) per Gigabyte of data, per day. IN NO EVENT, EVEN IF IN BREACH OF THIS AGREEMENT,

SHALL FOTOKEM BE LIABLE FOR DELETION, LOSS, DESTRUCTION, CORRUPTION, RELEASE OF, EXPOSURE OF, DISCLOSURE OF OR OTHER MISUSE OF, OR DELAY IN ABILITY TO ACCESS, LESSEE DATA RECEIVED, RECORDED OR STORED IN EQUIPMENT OR STORED BY FOTOKEM, WHETHER OR NOT AT LESSEE REQUEST.

9) Acknowledgement of Risk of Unauthorized Access. Lessee acknowledges that despite efforts, if any, that FotoKem may make seeking to inhibit unauthorized access to the System and Lessee Data, significant risks of unauthorized access exist. FOTOKEM SHALL HAVE NO OBLIGATION TO MAKE ANY PARTICULAR EFFORTS TO INHIBIT OR PREVENT UNAUTHORIZED ACCESS (BY WAY OF EXAMPLE, FOTOKEM SHALL HAVE NO OBLIGATION TO MEET ANY PURPORTED INDUSTRY STANDARD, OR MINIMAL STANDARD OF EFFORT OR CARE TO INHIBIT OR PREVENT UNAUTHORIZED ACCESS). FOTOKEM SHALL HAVE NO OBLIGATION TO SUCCEED IN PREVENTING ACCESS. ANY EFFORTS FOTOKEM MAKES, OR ATTEMPTS, SHALL BE DEEMED TO BE ONLY FOR FOTOKEM'S OWN BENEFIT TO ACCOMPLISH FOTOKEM'S BUSINESS PURPOSES AND SHALL NOT BE FOR THE BENEFIT OF LESSEE AND SHALL NOT IMPLY OR IMPOSE AN OBLIGATION TO HAVE PERFORMED SUCH EFFORTS PROPERLY OR TO ANY STANDARD OF CARE, OR TO UNDERTAKE OR IMPLEMENT OTHER OR FURTHER EFFORTS. Lessee acknowledges that transmissions through the internet are inherently insecure; there are risks associated with absence of or ineffective security measures and any security measures as may be taken are not assured to succeed and could be breached. IN NO EVENT, SHALL FOTOKEM BE LIABLE FOR MISSING, LOST, DESTROYED, COMPROMISED, GARBLED OR MISDIRECTED COMMUNICATION OF LESSEE DATA VIA ANY INTERNET PROTOCOL (IP) DELIVERY, FOR INTENTIONAL OR ACCIDENTAL OR OTHER LAWFUL OR UNLAWFUL ACTS OF CRACKERS OR HACKERS OR OTHER UNAUTHORIZED ACCESS, FOR USE OR MISUSE OF LESSEE DATA BY THIRD PARTIES, FOR LOST OR CORRUPTED OR DESTROYED LESSEE DATA, FOR DOWNTIME OR SLOWDOWN OF SERVICE, FOR RELEASE, EXPOSURE OR COMPROMISE OF CONFIDENTIAL DATA, OR FOR INABILITY TO ACCESS OR DELAY IN ACCESSING THE SYSTEM WHETHER VIA IP OR OTHERWISE.

10) Risk of Data Loss. Lessee acknowledges that the intrinsic value of the Lessee Data exceeds and bears no relationship to the nature of this agreement, and thus FOTOKEM, WHETHER OR NOT IN ACCORD WITH GENERAL PRACTICE AND INDUSTRY CUSTOM, SHALL HAVE NO RESPONSIBILITY FOR USE, MISUSE, UNAUTHORIZED ACCESS, CORRUPTION, LOSS, DAMAGE OR DESTRUCTION OF LESSEE DATA FROM ANY CAUSE WHATSOEVER, INCLUDING WITHOUT LIMITATION, CULPABLE ACT OR OMISSION OF FOTOKEM PERSONNEL, ERROR, OMISSION OR FAILURE IN, OR THE UNAVAILABILITY OR INTERRUPTION OF, THE EQUIPMENT, ACTION OF OUTSIDE PARTIES SUCH AS HACKERS AND CRACKERS, OR FROM LESSEE'S USE OF THE EQUIPMENT. WITHOUT LIMITING THE GENERALITY OF THE PRECEDING SENTENCE, FOTOKEM SHALL NOT BE LIABLE FOR ANY DAMAGE OR COST INCURRED IN THE FORM OF OR AS THE RESULT OF LOST LESSEE DATA RESULTING IN DAMAGE TO OR LIABILITY OF LESSEE TO OTHER PERSON OR ENTITY, LOST PROFIT OR LOST REVENUE, COST OF RECOVERING DATA, COST OF SUBSTITUTE DATA OR COVER, CLAIM BY THIRD PARTIES, OR OTHER SIMILAR COSTS RELATED TO POTENTIAL LOSS OF LESSEE CUSTOMER ACQUISITION DATA, IN THE USE OF THE EQUIPMENT. Lessee agrees that the Equipment is not a consumer good for purpose of federal or state warranty laws.

11) Lessee Representation and Warranty. Lessee represents and warrants that Lessee is the sole owner, or the duly authorized representative of all owners, of the Lessee Data used with the System and all intellectual property contained in or represented by the Lessee Data and that its use thereof shall not involve any libel, slander, defamation, invasion of privacy, misappropriation of personality or infringement of patent, copyright, trademark, trade name, trade secret or other proprietary right.

12) Additional Disclaimers. FOTOKEM MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT, SYSTEM, OR ANY SERVICES PROVIDED TO LESSEE, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION AS TO PERFORMANCE, DESIGN, MERCHANTABILITY, SUITABILITY, SECURITY, RELIABILITY OR FITNESS FOR PARTICULAR PURPOSE OF THE EQUIPMENT, SYSTEM OR SERVICES; OR THAT THE SYSTEM WILL OPERATE FREE OF DISRUPTION OR ERROR. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF.

13) Liability Limitations. FOTOKEM SHALL NOT BE LIABLE TO LESSEE, WHETHER IN CONTRACT, TORT, UNDER ANY WARRANTY, OR OTHERWISE, FOR INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES. UNDER NO CIRCUMSTANCE SHALL FOTOKEM'S LIABILITY OR LESSEE'S REMEDY FOR DAMAGES OR OTHER CLAIM AGAINST FOTOKEM (WHETHER RELATED TO THE EQUIPMENT, SYSTEM OR ANY SERVICES) EXCEED THE AMOUNT OF RENT AND/OR SERVICE FEES ACTUALLY PAID TO FOTOKEM BY LESSEE UNDER THIS AGREEMENT FOR THE PARTICULAR PORTION OF THE EQUIPMENT, SYSTEM OR SERVICES AND FOR THE PARTICULAR TIME PERIOD INVOLVED. FOTOKEM SHALL NOT BE RESPONSIBLE FOR DELAY OR FAILURE IN PERFORMANCE RESULTING FROM ACTS OR CIRCUMSTANCES BEYOND FOTOKEM'S CONTROL, INCLUDING WITHOUT LIMITATION ACT OF GOD, STRIKE OR OTHER LABOR DISPUTE, RIOT, ACT OF WAR, TERRORISM, MALFUNCTION OF PORTIONS OF THE INTERNET OR ANOTHER NETWORK, GOVERNMENT REGULATION, COMMUNICATION LINE FAILURE, POWER FAILURE, EQUIPMENT FAILURE, FIRE, WEATHER, EARTHQUAKE OR OTHER NATURAL DISASTER, ACT OF THIRD PARTIES INCLUDING BUT NOT LIMITED TO ANY HACKER OR CRACKER, AND ANY OTHER INCIDENT, CONDITION, CIRCUMSTANCE OR EVENT THAT DISRUPTS FOTOKEM'S ABILITY TO PERFORM.

14) Transportation. Except with respect to items of Equipment shipped by FotoKem to Lessee, Lessee shall be responsible to pick-up and ship Equipment and return Equipment to the FotoKem rental facility specified in the Transaction Documents. Lessee shall be responsible for costs of transportation and risk of loss of Equipment in transit. If Lessee requests, FotoKem may elect to ship Equipment to Lessee, with any or all charges to be paid in advance, or collect, or otherwise, as FotoKem elects, and freight and carrier insurance charges to be paid by Lessee. Return shipments of Equipment by Lessee to FotoKem shall be shipped prepaid, including freight and carrier insurance charges. Lessee agrees that the effect of transfer of possession of Equipment to Lessee or any agent of Lessee or a shipping company engaged to transport Equipment to Lessee shall be deemed to constitute Lessee's acceptance and agreement to this Agreement, regardless of whether this Agreement was actually signed by or on behalf of Lessee; provided, that the foregoing shall not impair any prior acceptance and agreement.

15) Risks of Equipment Loss. Lessee assumes all risk of loss of Equipment, whether or not covered by Lessee insurance, during the "Risk Period." The Risk Period starts when Equipment leaves FotoKem premises and ends as to items of Equipment when FotoKem acknowledges receipt of those items. Lessee's responsibility shall include, but not be limited to, risk of loss of Equipment while in transit as well as at all other locations during the Risk Period. Lessee shall, at Lessee's cost and expense, during the entire Risk Period keep and maintain the Equipment in at least as good condition and repair as when the item left FotoKem's premises. If any item of Equipment is destroyed, damaged, lost or stolen during the Risk Period, Lessee shall be liable to FotoKem for (a) the repair cost (if FotoKem in its sole discretion deems it economically feasible to repair damaged Equipment) or (b) the full replacement cost, if FotoKem's remedy under the foregoing subpart (a) is inapplicable, in each case without adjustment for betterment or depreciation of that Equipment. The replacement or repair cost of the Equipment shall be determined by the actual cost incurred by FotoKem to replace or repair the Equipment. Regardless of whether covered by insurance, Lessee shall be responsible for the daily rental of each item of destroyed, damaged, lost or stolen Equipment and the Rental Period shall continue with respect to each such item of Equipment until the damaged Equipment has been repaired (if FotoKem deems repair to be feasible) or the destroyed, damaged, lost or stolen equipment has been replaced. If FotoKem supplies a replacement item for any Equipment which is destroyed, damaged, lost or stolen, Lessee shall also pay (at FotoKem discretion) rent on the replacement item from the date it leaves FotoKem premises, through the end of the Rental Period.

16) Indemnification. Lessee shall use the Equipment at Lessee's own risk and expense. Lessee assumes full and sole responsibility and liability for injuries (including without limitation death) to any person or property resulting from the use or possession of the Equipment. FotoKem shall not be liable for, and Lessee shall indemnify, defend and hold FotoKem and FotoKem's shareholders, directors, officers, affiliated entities, employees, and agents harmless from and against, any and all actual threatened claims (whether made by Lessee, or third party), and any costs incurred or other damages suffered by or threatened against FotoKem, whether in whole or in part, out of or in connection with any of the following: (a) Lessee's lease, possession, operation or other use of the Equipment or the condition of the Equipment (including without limitation latent defects) or of any instructions or lack thereof; (b) performance of the Services, including without limitation (i) claims regarding acts or omissions of FotoKem personnel (which, Lessee acknowledges, shall be deemed to be under Lessee's direction and control as provided in Section 4), and (ii) claims for personal injury and property damage arising in connection with any Services; (c) negligent or willful act or omission of Lessee or Lessee's personnel, whether in connection with use or misuse of the System or creation or use of any Lessee Data or otherwise, also including without limitation any related property damage or personal injury (also including but not limited to libel, slander, defamation, invasion, of privacy, misappropriation of personality or infringement of patent, copyright, trademark, trade name, trade secret or other proprietary right, whether of FotoKem or any third party); (d) Security breach or other activity associated with Lessee's user IDs and passwords for the System; (e) misuse of System, including without limitation as provided in Section 6; (f) infringement of any third party intellectual property right; (g) misuse, loss, damage or destruction of Lessee Data as provided in Section 15; (h) breach by Lessee of any covenant, warranty or representation; and (i) protection or enforcement by FotoKem of rights under the Contract.

17) Limit of Liability. FOTOKEM SHALL NOT BE LIABLE TO LESSEE OR TO ANY OTHER PERSON OR ENTITY FOR ANY COST, EXPENSE, LOSS OF PROFIT, LOSS OF BUSINESS, INTERRUPTION OF BUSINESS, OR FOR OTHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL,

CONSEQUENTIAL, OR OTHER DAMAGE, COST, LOSS OR EXPENSE OF ANY KIND, WHETHER UNDER THIS AGREEMENT OR OTHERWISE, EVEN IF FOTOKEM WAS ADVISED OF THE POSSIBILITY OF THAT DAMAGE, COST, LOSS OR EXPENSE. FOTOKEM SHALL NOT BE LIABLE FOR ANY REPRESENTATION OR WARRANTY MADE BY LESSEE, ANY AGENT OF LESSEE OR ANY OTHER PERSON OR ENTITY.

18) Use of Equipment. Lessee shall allow the Equipment to be used only by duly qualified technicians employed by Lessee and only for the usual uses of the Equipment. FotoKem makes no warranty or representation as to capabilities or any other qualification or aspect of any technician or service provider, even if identified or suggested by FotoKem. Lessee shall investigate and make Lessee's own determination whether to engage the services of any technician or service provider. FotoKem shall not be responsible in any way for any aspect of services performed by, or failures of performance by, any technician or service provider, even if suggested or identified by FotoKem. Lessee shall keep the Equipment in Lessee's sole custody and shall not permit the Equipment to be used in violation of any law or of rights of any individual or entity. Lessee shall not permit the Equipment to be (a) used in any location deemed inappropriate by FotoKem, or (b) removed from the contiguous United States (the 48 contiguous states) without FotoKem's prior written consent, which consent may be granted or withheld in FotoKem's sole discretion.

19) Inspection. FotoKem shall have the right and Lessee shall, on FotoKem's request, make any arrangements requested by FotoKem, to facilitate providing one or more FotoKem representative(s) access at reasonable times to the place where the Equipment is (or at the time of access will be) located, in each case to inspect the Equipment and environment. At FotoKem's request inspections may also include inspection during actual usage of the Equipment, regardless of any claim by Lessee of confidentiality of such usage.

20) Ownership Notices. Lessee acknowledges that FotoKem is the sole owner of the Equipment. Lessee shall not remove any tag or nameplate on the Equipment indicating FotoKem's ownership. Lessee shall keep the Equipment free of all pledges, levies, liens and encumbrances not created by FotoKem. FotoKem shall have the right, and Lessee hereby authorizes FotoKem to file, publish and post UCC-1's, other forms of financing statements and other public notices indicating FotoKem's ownership of the Equipment.

21) Insurance. Lessee shall obtain insurance coverage, from one or more insurance carriers as are approved by FotoKem in FotoKem's sole discretion, as FotoKem deems adequate to insure: (a) the replacement value of the Equipment; and (b) for injuries to persons or property that may result from Services or use or possession of the Equipment, but in no event shall Lessee obtain less than: (i) Commercial General Liability Coverage containing broad form, occurrence based coverage for bodily injury, personal injury and property damage claims arising out of Lessee's operations, naming Foto-Kem Industries, Inc. as insured, with limits of one million dollars (\$1,000,000) per occurrence; and (ii) Property Insurance Coverage for all Equipment rented or leased by Lessee including without limitation under the Contract, coverage for Equipment in transit, written on a replacement cost basis without deduction for depreciation, with limits of one million dollars (\$1,000,000), naming Foto-Kem Industries, Inc. as loss payee. Insurance shall not contain a "unattended or unlocked vehicle" exclusion. All insurance coverage required by this Section shall contain a waiver of subrogation in favor of FotoKem, shall be written in U.S. dollars by a United States carrier with a financial strength rating by A.M. Best Company (or comparable insurance rating agency) of not less than B++ and, if FotoKem has consented to

the Equipment leaving the United States, shall be written on a world-wide basis, including coverage for transit. The policy shall state that the insurer shall provide FotoKem with at least thirty (30) days advance written notice of cancellation or reduction or increase in coverage or other material change. Nothing in this Section 21 is intended to imply that the coverages required are in any sense sufficient for Lessee's purposes.

22) LESSEE TO INSURE LESSEE DATA. LESSEE ACKNOWLEDGES AND AGREES THAT FOTOKEM IS NOT OBLIGATED TO OBTAIN INSURANCE FOR OR ON BEHALF OF LESSEE, AND/OR LESSEE DATA OR THE EQUIPMENT AND THAT LESSEE SHALL BE SOLELY RESPONSIBLE TO INSURE AGAINST ALL INSURABLE RISKS INCLUDING WITHOUT LIMITATION DAMAGE TO OR DESTRUCTION OF LESSEE DATA AND/OR EQUIPMENT, WHETHER CAUSED BY CULPABLE ACT OR OMISSION OF FOTOKEM OR FOTOKEM PERSONNEL OR OTHERWISE. FOTOKEM SHALL IN NO EVENT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER OR NOT SUCH LOSS OR DAMAGE WAS, OR COULD HAVE BEEN, COVERED BY INSURANCE. FOTOKEM SHALL IN NO EVENT BE LIABLE FOR ANY LOSS OR DAMAGE RESULTING FROM LOST LESSEE DATA.

23) Proof of Insurance. Lessee shall furnish proof satisfactory to FotoKem of all coverages required under Section 21 prior to receiving any Equipment. However delivery of Equipment without FotoKem's receipt of such proof is not a waiver of the requirements of Section 21. proof of coverages shall be in at least the form of a Certificate of Insurance issued by Lessee's Insurance Agent with respect to each policy and containing the following information and otherwise meeting the following requirements: (a) the Certificate Holder shall be FOTO-KEM INDUSTRIES, INC. 2801 W. Alameda Ave., Burbank, CA 91505; (b) Foto-Kem Industries, Inc. shall be named on the liability coverages required in Section 21 and as "loss Payee" in the property coverage required under Section 21 and shall be set forth in the Certificate; (c) the name, address and phone number of the Insurance Agent shall be stated in the Certificate; (d) Lessee shall appear in the Certificate as Named Insured; (e) the Insurance Company affording coverage must be identified in each Certificate; (f) the deductible, if any, shall be indicated (but Lessee is responsible for the deductible portion of the loss and any portion of the loss in excess of the applicable limits); (g) the Certificate shall specify that coverage will apply until the Equipment is returned to FotoKem in proper working order; and (g) the Certificate shall be signed by an authorized representative or agent of the Insurance Company.

24) Repossession by FotoKem. If Lessee fails to pay any rent when due or otherwise breaches any term, covenant or condition, or if Lessee is or becomes subject to any proceeding which FotoKem considers may result in seizure of the Equipment, or if a proceeding in bankruptcy, receivership or insolvency is instituted by or against Lessee or any property of Lessee, or if for other reason FotoKem becomes insecure with regard to Lessee's possession or use of the Equipment, then FotoKem shall in any such case have the right to enter the premises where the Equipment is or is believed to be located and retake possession of the Equipment, with or without notice to Lessee, and in each case without liability to Lessee for any damages incurred by Lessee as a result of the action. By taking possession of the Equipment pursuant to this Section, FotoKem shall be deemed to have ended the Rental Period and shall be deemed not to have waived or otherwise prejudiced any other right, claim or remedy that FotoKem has or may have against Lessee.

25) Confidentiality. Lessee shall not disclose the terms and conditions of the Contract or the discussions and negotiations that occurred between FotoKem and Lessee regarding the Contract to any

third party, unless disclosure is required by law, and shall not disparage FotoKem or any of FotoKem's directors, officers or employees or FotoKem's successors or assigns. FotoKem acknowledges that some Lessee Data may be confidential and proprietary to Lessee. Any breach of confidentiality by FotoKem shall be subject to the limitations of remedies in the Contract.

26) Final Agreement. The Contract represented by the Transaction Documents is the final, complete and exclusive expression of the agreement between Lessee and FotoKem with respect to its subject matter. In any conflict between any term or condition of this Equipment Rental and Services Agreement and any other Transaction Document, this Equipment Rental and Services Agreement shall control, unless the Transaction Documents include an Override Agreement, in which event the Override Agreement shall control to the extent of the conflict between any term or condition of the Override Agreement and any term or condition of any other Transaction Document. No covenant, warranty, representation or other term and condition, whether express or implied (including without limitation any representations or warranties made by any agent or representative of FotoKem or Lessee), which are not set forth in writing in the Contract shall bind FotoKem. The Contract cannot be modified except by the written agreement of FotoKem and Lessee. The parties agree that the Contract has been entered into in the State of California and shall be interpreted under and governed by the internal laws of the State of California applicable to contracts made and to be performed entirely within California, without reference to or regard for any conflicts of law principles, notwithstanding that one or both parties to this Agreement may be domiciled or the Equipment may be located in another state. Lessee shall not have any right to assign any rights to delegate any of its obligations under the Contract and any attempted or purported assignment or delegation by Lessee shall be deemed to be void and of no effect. No third party is contemplated or intended to have any rights under the Contract, except to the extent of any rights that are separately and expressly created by FotoKem for the benefit of a third party. As exceptions: (a) with regard to the indemnification provisions in this Agreement, the various persons and entities as to whom this Agreement provides for indemnification, shall be deemed to be third party beneficiaries with the right to enforce the indemnification, defense and hold harmless provisions even though such persons have not signed this Agreement; and (b) provisions in this Agreement for the benefit of FotoKem, such as disclaimers of warranties and limitations of liability, shall be deemed to encompass and benefit FotoKem and FotoKem's shareholders, directors, officers, employees, agents and affiliated entities. The provisions of this Agreement reflect a balancing of economic interests and shall be interpreted and construed according to their fair meanings and not strictly for or against any party.

27) Acceptance. The Contract will become binding on Lessee's signing of the Quote included as one of the Transaction Documents. By indicating acceptance in the foregoing manner, Lessee agrees, represents and warrants that Lessee read, understands and agrees to be bound by the terms and conditions of the Contract between Lessee and FotoKem; provided, that without impairing or otherwise affecting any earlier acceptance, Lessee's acceptance of any goods or services provided pursuant to the Contract also constitutes Lessee's acceptance of the Contract, and Lessee agrees to be bound by the terms and conditions of the Contract.