

1. In consideration of one dollar (\$1.00) and other rent as agreed between the parties J & M Special Effects. (hereinafter referred to as "J&M") agrees to rent to the person or entity designated on the reverse side hereof (hereinafter referred to as the "Renter") the equipment listed on the reverse side hereof (hereinafter referred to as the "Equipment") subject to the terms and conditions set forth herein. Accrued rental prices do not apply against purchase price.

2. During the term of the rental and at all times when the Equipment is in the custody of the Renter, the Renter shall maintain the Equipment in good condition and repair. At the end of the term hereof, or at its earlier termination, the Renter shall, at its cost and expense, deliver and return the Equipment to J&M in good condition and repair, reasonable wear and tear excepted.

3. The Renter hereby assumes full responsibility for the Equipment rented and agrees to compensate J&M to the extent of the full replacement value should any item of said Equipment not be returned or be returned in a damaged or broken condition, due to any cause whatsoever. Renter further agrees to compensate J&M in rent for any time lost as a result of replacement or if J&M has to make repairs to broken or damaged Equipment.

4. The Renter shall, at his own cost and expense, but for the benefit of J&M, immediately insure the said Equipment for the full value against all risk of physical loss including the perils of transportation, with a qualified, reputable insurance company and shall deliver the said Certificate of Insurance to J&M, together with the receipt for premiums thereunder. If J&M, by reason of such insurance, shall receive any sum or sums of money, such amounts may be retained and applied by it towards the repair or replacement of the said Equipment, or it may remove the damaged Equipment and, in lieu thereof, substitute other Equipment of like kind and quality and any such Equipment whether repaired or substituted, shall be subject to all the terms, provisions and conditions herein. The Certificate of Insurance shall name J&M as Loss Payee and shall show a limit of insurance equal to the value of the equipment rented to renter. Furthermore, the Certificate of Insurance shall name J&M as Additional Insured on Renter's Commercial General Liability policy with minimum limits of \$1,000,000 Combined Single Limits and such policy shall comply with the requirements set forth in paragraphs 6 and 20 shown below.

5. The Renter shall not remove any Equipment from the address hereinabove set forth without first having notified J&M and obtained from it a written consent for such removal. Rental of all Equipment must be paid for the period of time it is in Renter's custody and until its return to J&M. No allowance will be made for unused Equipment.

6. Renter assumes all risk in the use and operation of the rented Equipment and shall be responsible for providing proper safety devices and equipment to safeguard users or operators of the Equipment herein rented and for installation of the Equipment in safe and adequate facilities, in order to comply with all Federal, State and Local laws or regulations, and all industry standards.

7. It shall be lawful for the owner or its agents at all reasonable times to enter the premises where the Equipment is kept for the purpose of viewing the condition of said Equipment.

8. If the Renter shall default on any of the terms, covenants and conditions herein, or in punctually making any rental or other payment, or if any execution or other writ or process shall be issued in any action or proceeding against the Renter, whereby the said Equipment may be seized or taken or distrained, or if a proceeding in bankruptcy, receivership or insolvency shall be instituted by or against the Renter or his property, or if the Renter shall enter into any arrangement or composition with his creditors, or in the event that any judgment is obtained against the Renter, then and in any such event, J&M shall have the right to terminate this agreement and to retake immediate possession of said Equipment and, for such purpose, J&M, its agents or employees, may enter upon any premises where said Equipment may be, and may remove the same there-from, with or without force and with or without notice of intention to retake the same, without being liable in any suit, action or other proceeding by the Renter.

9. Upon J&M retaking possession of the said Equipment, pursuant to the provisions of the preceding article hereof, this agreement shall thenceforth terminate without prejudice to any right or claim for arrears of rent, if any, or on account of any preceding breach or breaches of this agreement, or the loss of rental for the balance of the unexpired term herein, or for any other claim that J&M may have against the Renter.

10. The renter shall not under lease, loan or otherwise permit the Equipment to be used by any other person, firm or corporation, and said Equipment shall at all times remain under the immediate control, supervision and direction of the Renter personally.

11. The Equipment is and shall remain at all times the sole and exclusive property of J&M. The Renter agrees not to remove or cover the tag or nameplate on the Equipment showing ownership by J&M.

12. The Renter hereby grants to J&M the right to terminate this agreement on 24 hours written notice by registered mail or personal service. On the occurrence of said event, the Renter shall immediately return to J&M at the Renter's risk and expense, the Equipment, in the same condition as when first rented, and J&M shall, thereupon, upon said receipt, refund only the unexpired portion of the rental.

13. The Renter agrees to pay all reasonable attorney's fees and costs incurred by J&M in protecting its rights or property under this agreement, or in any action or proceeding against the Renter for a breach of this agreement.

14. The acceptance of the return of the rented Equipment is not a waiver by J&M of any claims that it may have against the Renter, nor a waiver of claims for latent or patent damages to the Equipment.

15. The acceptance of any rent or other payment, or any portion thereof, after a default by the Renter shall not be deemed to operate as a waiver of J&M's right to enforce the payment of rent or other payments herein provided for, or to terminate this agreement and recover possession of its Equipment. The failure to insist upon strict compliance with the terms and conditions of this agreement, even after a breach of any provision or after default, shall not be construed as a waiver of any of J&M's rights under this agreement.

16. No terms, representation or warranty, express or implied, not herein set forth in writing shall bind J&M.

17. The Renter agrees not to pledge, mortgage or in any way encumber the property rented herein.

18. In all programs of production in connection with which the property and materials above set forth shall be used, credit shall be given in the form of "Special Effects equipment by Jauchem & Meeh Inc".

19. It is understood and agreed that the rental price does not include New York City and New York State sales tax which is to be added to invoices as they become due.

20. The Renter expressly agrees to indemnify and hold J&M harmless from any and all claims arising out of any violation of any law, rule, regulation or order, and from any and all claims or liabilities for loss, damage or injury to persons or property of whatever kind or nature arising from the use or operation of the Equipment herein rented, or from the negligence or carelessness of the agents or employees of Renter. Renter shall notify J&M promptly of any accident involving the Equipment herein rented. Renter shall obtain contractual liability insurance in connection with this agreement and pursuant to this paragraph, in an amount satisfactory to J&M, and shall furnish a copy of the policy with the premium marked "paid" to J&M.

21. Before taking possession of equipment, renter agrees to provide J&M with a Certificate of Insurance showing evidence of the following coverage:
- "All risk" or "Special" coverage form including theft and perils of transportation, naming J&M as Loss Payee. The Certificate must show an amount of coverage equal to the value of the equipment rented (not rental value);
- Commercial General Liability coverage with a limit of at least \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage. (J&M must be named as Additional Insured.)

22. The rental price for the Equipment has been separately stated to the Renter, and J&M shall render periodic statements to the Renter setting forth the rental price. In the event that additional Equipment is rented to Renter or some Equipment is returned to J&M by Renter, the periodic statements from J&M setting forth the rental price will be adjusted accordingly.

23. If a rental term is set forth on the reverse side hereof, the Renter may extend the term with the written consent of J&M. The rental price during any extended term shall be as is set forth on periodic rental statements from J&M.

24. The renter has the privilege to examine and test equipment at the time of rental. J&M does not guarantee, assume responsibility, or make any representation for the performance of said equipment. Renter acknowledges that they have received the equipment in good working condition.

25. This agreement contains the entire understanding between the parties, including representation, and may not be modified except by another agreement in writing, signed by both parties to this agreement.

26. A Hazardous Materials Surcharge of 8% (HMIS) will be added to all orders that have any hazardous materials or Dangerous Goods as defined by 49 CFR or IATA/ICAO regulations.