

CONDITIONS OF BUSINESS AND RENTAL AGREEMENT

INTERPRETATION

"IIPCI" shall mean INSPIRED IMAGE PICTURE COMPANY INC.

1. The person or corporation named (including their/his/her successors, personal representatives and permitted assignees) as the "Lessee" on this Contract, agrees to rent from IIPCI, the Lessor, the equipment as more particularly described in the Quote and/or Equipment List attached as Schedule "A" (collectively the "Equipment") to this Agreement, at the rental rates (the "Rent") specified in the attached Schedule "B", subject to the following conditions.

RENTAL FEES & TAXES

2. The Lessee shall pay IIPCI the full amount of all Rental/Rent charges. In addition, the Lessee will also pay IIPCI for any additional items or equipment (the "Additional Equipment") requested by the Lessee, which shall be outlined, if applicable, in the Schedule "C" attached hereto and shall form part of this agreement. Such additional items shall be treated as equipment rented out under this agreement.
3. The Lessee agrees to return the Equipment and the Additional Equipment, (if applicable) the Equipment and Additional Equipment shall hereinafter be collectively referred to as the "Equipment" on or before 10:00 a.m. on the day of expected\agreed return. Extension is solely at discretion of IIPCI, and must be agreed to in writing.
4. The Lessee acknowledges that any late returns, or over holding of the equipment by him is unauthorized, and shall be subject to a rental payment equal to twice the Rent for each day that the Equipment is late, unless it has been pre-arranged between the Lessee and IIPCI, not less than 24 hours prior to the day set for return.
5. Cancellation charges will be applied at the following rates:
 - Notice within 2 working days prior to day booked - 50% of the Rent Payable for one day.
 - Notice within 1 working day prior to day booked - 75% of the Rent payable for one day.
 - Notice within 1/2 working day prior to day booked - 100% of the Rent payable for one day.
 - Same day notice - 100% of Rent payable for one day.
6. For credit approved Lessees; terms are net 30 from the date of invoice. A 2% compounded monthly interest charge (26.8% per annum) will be added to all late payments, and Lessee agrees to this charge. All other Lessee terms are C.O.D. unless otherwise stated in writing by IIPCI. All rentals initially totaling \$1,000.00 or

- less, before taxes, require a COD payment, unless approved in writing by IIPCI. IIPCI will require credit card, (American Express, VISA or MasterCard) cash or bank draft from COD Lessees. IIPCI further reserves the right to require a cash/bank draft deposit, or credit card deposit when renting to a credit approved Lessees. All payments to IIPCI shall be the sole responsibility of the Lessee and not any third party. Any claims for adjustments must be presented in writing to IIPCI within ten days from the date of the invoice in question; otherwise the Lessee has waived any claims.
7. The Lessee shall pay the Rent in the currency agreed upon, as witnessed on the quote and invoice, without abatement, deduction or set off, as to the payment terms as agreed to with the acceptance of the quote and in this agreement.
 8. The Lessee acknowledges and agrees that in addition to all charges for the equipment and related services, the Lessee shall also be responsible for payment of all applicable Federal and Provincial Government taxes.
 9. All Equipment being shipped is FOB to the IIPCI warehouse, unless otherwise stated or notified. All Equipment shall be returned freight pre-paid, FOB destination. All brokerage charges, shipping charges, duties, fees, insurance and taxes are the responsibility of the Lessee.

EQUIPMENT TERMS

10. The Lessee acknowledges having received on rental from IIPCI the Equipment in good working order and condition on the date specified.
11. All Equipment is subject to inspection upon its return. Acceptance of returned Equipment by IIPCI shall not be considered a waiver for any claims it might have against the Lessee, and IIPCI shall have 72 hours to conduct a full inspection of any Equipment after its return.
12. The Lessee shall return the Equipment upon the date set out herein and this Agreement shall terminate on that date unless there is damage to the Equipment in which case this Agreement shall terminate upon the Lessee making all required payments hereunder.
13. If the Equipment becomes damaged during the term of this Agreement, the Lessee shall immediately notify IIPCI that repairs and or technical assessment are necessary. In no case shall repairs be attempted without prior written authorization from IIPCI. All repairs will be carried out at the direction of IIPCI.
14. If the Equipment or any part thereof shall be returned in an unclean state, as determined by IIPCI, then the Lessee shall pay a reasonable cleaning charge.
15. The Lessee shall pay all transportation charges from and to IIPCI's depot unless otherwise stated. Shipment and transportation of equipment to and from IIPCI shall be at the Lessee's risk and expense. In the event IIPCI undertakes to deliver the equipment to the Lessee or to any other party to whom the Lessee directs delivery, then any person, other than IIPCI's own employees having custody of the

- Equipment during transit and delivery, shall be deemed to be the agent of the Lessee for the purpose of such delivery
16. The Lessee agrees not to remove or cover any tag or nameplate appearing on the Equipment.

LOSS, DAMAGE AND INSURANCE

17. The Lessee shall be completely responsible for any damages whatsoever to any of the rented Equipment, however caused, whether through the fault of the Lessee or otherwise, and the Lessee shall be responsible for all costs of repair of such Equipment, including, without limitation, any applicable Insurance Deductible. If the Equipment cannot be repaired or the cost of repair is unreasonable, in the sole judgment of IIPCI, then the Lessee shall be responsible for the full replacement cost of any damaged Equipment with equivalent, new equipment, or its successor technology without deduction for depreciation. The Lessee agrees to compensate IIPCI for the full rental fee for the Equipment until the Equipment is repaired or replaced or the Lessee pays the insured value to IIPCI, or the equipment is returned to IIPCI in acceptable working order to IIPCI. IIPCI may request payment in advance for the repair or replacement of damaged Equipment.
18. In the event that the Equipment is lost, stolen, missing or damaged beyond repair, the Lessee shall be liable for and agrees to compensate IIPCI for the greater replacement cost (without deduction for depreciation) the Lessee shall pay IIPCI within 30 days of such loss. Further, with respect to lost, stolen, missing or damaged equipment, the Lessee agrees to compensate IIPCI for the full rental fee for the Equipment until the Equipment is repaired or replaced or the Lessee pays the insured value to IIPCI. IIPCI shall not be liable for any loss or damage of any kind whatsoever, whether caused by negligence or otherwise resulting from the services of technicians or services of any nature whatsoever provided by Inspired once the rental period has begun.
19. The Lessee shall not seek to recover damages for physical injury or damage to property caused by any action of IIPCI or by any of its directors, officers, employees or agents whether by negligence or otherwise as the Lessee is assuming any and all risks by entering into this Agreement.
20. The Lessee shall assume full responsibility for the Equipment. Insurance for full replacement cost of Rental Equipment without deduction for depreciation is the sole responsibility of the Lessee. Prior to pick-up or delivery of leased equipment, IIPCI will require that the Lessee present a valid Certificate of Insurance, written by an Insurance Carrier approved by IIPCI. IIPCI shall be added as both the First Loss Payee and as an Additional Insured on the Lessee's Certificate of Insurance. The limit of liability under the Equipment Coverage shall be at least equal to the full replacement cost of the rented Equipment (without deduction for depreciation) as dictated by IIPCI. All Equipment shall be valued at the full cost to

repair or replace such property at the time of loss with equivalent, new equipment or its successor technology without deduction for depreciation. See chart for insurance requirements.

Type of coverage	Limits	Wording Requirements
Commercial General Insurance	\$2 Million per occurrence \$2 Million aggregate	IIPCI named as Additional Insured, with respect to liability arising out of the operation of the named insured Worldwide Territory extension, if filming outside Canada
Miscellaneous Equipment Floater	Equipment Value as per Equipment Schedule, plus \$250,000.00	IIPCI named as the loss payee Worldwide coverage Replacement Cost Basis (without deduction for depreciation) Loss of Use extension
Automobile Liability for owned and non-owned and hired vehicles	\$2 Million combined single limit	IIPCI named as Additional Insured, with respect to liability arising out of the operation of the named insured
Aircraft Liability, if filming from aircraft	\$5 Million	IIPCI named as Additional Insured, with respect to liability arising out of the operations of the named insured
WCB	As required by applicable legislation	

LESSEE INSURANCE

21. IIPCI shall not be held responsible for loss or damage of pre-recorded material and the Lessee realizes that any media, tapes, drives, cards, flash media or any other media types not listed and property that may be given and/or delivered over to IIPCI is done solely as a matter of convenience to the Lessee.

22. IIPCI shall not be held liable for loss or damage of any kind whatsoever caused by negligence or otherwise resulting from the services of technicians or other services of any nature whatsoever provided for from time to time at the request of the Lessee by IIPCI.

RENTAL RESTRICTIONS

23. The use of the Equipment for underwater or aerial mounted photography is strictly prohibited unless prior arrangements are made in writing with IIPCI, and attached to form part of this agreement. If Equipment is lost or damaged as a result of such use, the Lessee shall pay IIPCI the full cost of repair or replacement of such Equipment at the time of loss with equivalent, new equipment, or its successor technology without deduction for depreciation. The Lessee shall also continue to pay Rent to IIPCI until the Equipment is returned or repaired.
24. All Equipment rentals are intended for LOCAL USE ONLY unless otherwise agreed to in writing. The Lessee shall notify and obtain the written permission from IIPCI if their intent is to use the Equipment outside of the local area, out-of-province or country. It is the sole responsibility of the Lessee to contract an established Customs Broker to handle the shipping and receiving of all Equipment leaving the country. All brokerage charges and shipping charges, duties, fees and taxes are the responsibility of the Lessee. Any additional insurance requirements are also the responsibility of the Lessee.
25. The Lessee will assume all risks and charges in regards to Equipment being used outside of the city limits of IIPCI's rental facility warehouse. IIPCI will not be responsible for the pickup, return or replacement of any Equipment that is damaged, malfunctions or fails to perform outside of the city limits of IIPCI's rental warehouse operation.
26. The Lessee shall not, without the specific prior written consent of IIPCI permit the Equipment or any part thereof, to be used by any person not qualified for its use, or as a teaching tool for the training of others.
27. The Lessee shall not sub lease (under lease) any portion of the Equipment or loan in any fashion whatsoever, the same, to any other person, firm or corporation and the Equipment shall at all times remain under the immediate control, supervision and direction of the Lessee personally.

MAINTENANCE AND REPAIRS

28. The Lessee or their agents shall have the responsibility to use appropriate technical equipment to test master recordings for quality control on a daily basis to ensure that the Equipment is functioning properly. Should the Lessee choose to forego this testing then the Lessee shall not be permitted to make any claim against IIPCI for any non-performance or other irregularities pertaining to the Equipment.

29. IIPCI will perform its services in accordance with generally recognized technical practices and standards. The Lessee will have the opportunity and is encouraged to examine and test the Equipment at the time of rental. IIPCI does not guarantee, assume responsibility or make any representation with respect to the performance or results of the Equipment. IN NO WAY shall IIPCI be liable for more than the replacement value of the unrecorded drives, compact flashes or any other unprocessed materials.
30. Any disputes regarding Equipment performance will be resolved by IIPCI retaining a qualified engineer to investigate the dispute and prepare a written report. If such report states that the Equipment failed to function properly then IIPCI shall refund that portion of the Rent paid after the date that the Equipment failed to function properly. In the event that the report states the Equipment was functioning properly, the Lessee shall pay the entire cost of the report preparation, and the full Rent for the period the Equipment is not available for rental.
31. Performance irregularities must be reported immediately, as set out in clause 13. Failure to report in the required time frame will save harmless IIPCI from any claim.

Limitation of Liability and Indemnity

32. IIPCI makes no claim or warranties in regards to the performance of any Equipment when used with equipment not provided by IIPCI.
33. The Lessee covenants and agrees that it shall use the Equipment at its own risk and hereby agrees to indemnify and save IIPCI harmless from and against any and all liability, loss, damage, expense, cause of action, suits, claims or judgments (including reasonable legal fees) arising from injury to persons or property or death based on or arising from, out of, or in connection with the actual or alleged use, operation, delivery or transportation of the Equipment
34. IIPCI's obligations with respect to the Equipment are limited to the obligations provided for in this agreement, and the Lessee acknowledges that IIPCI shall not be liable for any indirect, incidental, special, consequential, or exemplary damages, including without limitation, damages for loss of profits, use or other losses resulting from the fitness, quality, design condition, merchantability, functioning, performance, or malfunctioning of the Equipment, or of its material or workmanship.

Title to the Equipment

35. The Lessee agrees and acknowledges that the Equipment is and will remain the sole property of IIPCI, and that the Lessee does not have and shall not acquire any interest in the title to the Equipment. The Lessee, at its sole cost and expense, shall protect and defend the title of the Equipment and shall keep the Equipment free and clear of all liens, claims, equities and encumbrances whatsoever. The

Lessee shall not perform or permit any act which shall or may result in the encumbrance or impairment of any of IIPCI's rights in or title to the Equipment. The Lessee shall give IIPCI immediate written notice of any attempted or completed seizure by process of law or otherwise affecting or relating to the Equipment and shall indemnify and hold harmless from any loss, costs, damage, liability or expense (including without limitation reasonable attorney's fees, court costs and other reasonable litigation expenses) caused thereby.

GENERAL

36. In the event the Lessee shall fail to keep and perform any or all the terms and conditions of this Agreement or should the Lessee fail to pay any Rent as agreed herein in the manner and time as specified or any of the Equipment be seized or attached or if a petition in bankruptcy be filed against the Lessee, IIPCI is empowered to take immediate possession of its Equipment and may enter any premises without notice of demand and without legal process and take possession of same.
37. All drivers of vehicles which belong to IIPCI or are loaned by IIPCI to the Lessee must have written approval from IIPCI to act as drivers for said vehicles. Drivers must leave a photocopy of their Valid Driver's License at the time of Equipment pick up with IIPCI in order to drive an IIPCI vehicle. The Lessee agrees to pay the deductible claim or the cost of any required repairs to IIPCI's vehicles or vehicles rented to the Lessee by IIPCI, for damage caused during the time said vehicles are in the Lessee's possession.
38. The Lessee agrees to accord credit to IIPCI on positive copies of films or videotapes or CD/DVDs, or any other media which may be produced with the use of the Equipment in productions where any credits are granted, and transmittal LOGOS for said purpose are attached as Schedule "D" to this agreement.
39. Where the Lessee is a corporation or is other than the person signing this Agreement on the Lessee's behalf, the person signing this Agreement represents and warrants that he or she has the authority of the Lessee to execute this Agreement on the Lessee's behalf, to pledge the credit of the Lessee and where applicable, that the person signing this Agreement is a duly appointed signing officer of the Lessee, properly authorized on their behalf.
40. Any acceptance of the return of or repossession of equipment or the granting of any indulgency by IIPCI shall not constitute a waiver of any kind of the IIPCI's rights under this Agreement.
41. The Laws of the Province of British Columbia shall apply to this Agreement.
42. Wherever the context requires, the masculine gender includes the feminine or neuter and the singular includes the plural. If there is more than one Lessee named in the Lease, the liability shall be joint and several.

I, _____, hereby acknowledge that I am an employee or contractor of:

_____ (the "LESSEE"), duly authorized to act on their behalf and I agree as follows:

I have read this rental agreement in its entirety and the LESSEE agrees to abide by its terms in full. The Lessee accepts liability for whomever it authorizes to pick up any equipment of whatsoever nature from INSPIRED IMAGE PICTURE COMPANY INC. The LESSEE further agrees to abide by the terms of this agreement for any and all future equipment rentals as and when they may occur, as additions to the equipment list attached.

Signature

Date

Name (please print)

Title (if applicable)

Telephone

e-mail

Company Address

Name of Production

