

RENTAL AGREEMENT

This Rental Agreement is entered into by and between Multimedia Systems also known as referred to herein as Lessor and:
_____ referred to herein as Lessee whose principal place of business is:

And whose phone number is (____)_____ and whose fax number is (____)_____

This agreement shall include and be subject to the following terms and conditions:

1. CONTINUING RENTAL AGREEMENT: lessor and lesser agree that this agreement shall apply to any rental of property by lessee from lessor occurring on or after the date of this agreement even though the specific, duration of rental and/or the price of the rental may vary. The parties acknowledge and agree that the terms and conditions of this agreement shall continued to apply to all future rental transactions between them, without necessity or either party executing a new rental agreement.

2. DESCRIPTION OF PROPERTY: the equipment (property) subject to this agreement shall be the specific items of property listed on the equipment schedule or property rental receipt prepared by lessor and giver to lessee at time of delivery of the property to lessee or to a third party at the direction of lessee. Such equipment schedule and or property rental receipt shall be deemed a part of this agreement, as if fully incorporated herein. It shall be lessee s sole responsibility to determine that the property delivery is in accordance with the equipment schedule or property rental receipt and to notice lessor immediately of any discrepancy thereon. Lessor shall not be responsible for any discrepancies not brought to lessor s attention at the time of delivery.

3. DELIVERY and RETURN: For purposes of this agreement, lessee shall deemed to have taken delivery of property from the time the property is set aside from lessor s general inventory for lessee s use. Lessee shall be deemed to have return the property only at such time as lessee shall have returned the property to lessor s shipping department during lessor s regular business hours and after lessor shall have accepted the same. Acceptance by lessor shall mean that lessor shall have unpacked the property from its shipping container, examined it for damages and individually bar code scanned the property into lessor computerized systems as returned. The acceptance of the returned property is not a waiver by the lessor may have against lessee, nor a waiver of claims for latent or after discovered damage to the Property.

4. USE OF PROPERTY. Lessee shall operate and use the property in accordance with the manufacturer s instructions and recommended use and shall neither abuse nor misuse the property nor or store the property and any manner or at any location which will subject it to abnormal or hazardous conditions or risk. Lessee will take all necessary precautions during the shipment, use or store of the property to protect the property and all the persons using the property from injury or damage. Only the qualified employees or agents of lessee shall use the property. Lessee shall not make any alterations, changes, modifications or improvements to the property without the prior written consent of lessor and lessee shall not deface, remove or cover any nameplate on the property showing lessor s name and identification or that of the manufacturer. All property shall be used in accordance with applicable federal, state or local laws or ordinances.

5. INSPECTION/WARRANTY: Lessee shall inspect the property immediately on delivery and shall notify lessor at time if lessee determines that the property is not in good working condition. After such delivery and inspection, lessee acknowledges that the property is rental without any express or implied warranty or guaranty of any kind.

6. RISK OF LOSS/REPAIR/REPLACEMENT COAST: From the delivery of the property to lessee until return to lessee, as those terms are define herein, including during any time of transit or shipment of the property per section 7 below, lessee shall bear any and all risk of loss and /or damage to the property regardless of whether such loss or damage may have been cause by lessee. Lessee s agent, Sublessee, shipper or any third party. If the property is damage, such liability shall include lessor s actual coast of repair and the payment of all continuing rental charges until the repaired property can be restore to rental use by lessor. If the property cannot be timely repairer, then lessee shall be liable for lessor full actual replacement coast for the property as well as the payment of all continuing rental charges until the property is replaced and restore to rental use by lessor. The decision as to whether the damage property shall be replaced or repair shall be solely lessor s and shall be conclusive on lessee. If the property is lost, stolen or seized (by a third party or governmental agency) while in the possession of lessee or any agent or sublessee of lessee, or any carrier or storage facility, lessee shall be liable for the full replacement coast property and all continuing charges until the replacement property is restore to rental use by lessor. Lessor shall be no obligation to replace or repair property until lessee has paid for the damage, lost or stolen property. In such event, rental charges for the subject property shall continue to accrue until lessee has paid for lost, stolen or damage property or until repairs are completed. Accrued rental charges cannot be applied against the replacement cost of repair of damage, lost or stolen property.

7. TRANSPORT AND SHIPMENT: In the event the property rented by lessee is transport or shipment, whether from lessor to lessee, or to any third party or location, or upon its return to lessor, or any time between delivery and return of the property as those terms are define is section 3 of this agreement, the risk of loss during that transport and shipment shall be solely lessee s Lessee s option shall be entitled to select its own shipper or transport service and shall notify lessor of that selected shipper or transport service at the time the rental order is placed. If lessee declines to make such election, and requests transport by shipper or insurance on the property as provide herein. Lessor shall bear risk of loss during transport or shipment only during times when lessor s owe employees are directly

8. INDEMNIFICATION: lessee agrees to defend, indemnify and hold lessor harmless against any claim, liability loss, damages, expenses, or demands arising directly or indirectly out of, or connection with the use of the property leased from lessor by lessee its agents, servants, sublessees, contractors, representatives, guests, invitees, or customers.

9. PROPERTY INSURANCE: Lessee shall at all times from the delivery of the property to lessee to its return to lessor, as those terms are define herein, including during times of shipment and storage maintain property insurance covering the property from damage or loss from any cause. Such property insurance shall be in an amount sufficient to cover the full replacement cost of the property and lessor s rental charges until the property is replaced. Lessor shall be name and additional insured and loss payee on such policies and, upon request by lessor, lessee shall provide lessor with proof of such insurance.

Initials: _____

10. AUTOMOBILE LIABILITY INSURANCE: lessee shall, at its own expense, maintain business automobile insurance, including coverage for loading and unloading property and hired auto physical damage insurance covering owned, co-owned, hired and rented or leased vehicles. Coverage for physical damage shall include the perils of comprehensive and collision loss. Lessor shall be named as an additional insured respecting the liability coverage and as loss payee on the hired auto physical damage coverage. The insurance shall provide no less than \$1,000,000 in combined single limits, and actual cash value, less a \$1,000 deductible for the physical damage on comprehensive and collision coverage.

11. WORKER S COMPENSATION INSURANCE: lessee shall, at its own expense, maintain worker s liability insurance during the course of the property rental with minimum limits of \$ 1,000,000.

12. COMMERCIAL GENERAL LIABILITY INSURANCE: lessee shall, at its own expense, maintain commercial general liability insurance which includes coverage for independent contractors and contractual liability coverage specifically referring to this rental agreement and to the hold harmless agreement herein. Said insurance shall name lessor as an additional insured and provide that said insurance is primary coverage with respect to all insured s the limits of which must be exhausted before any obligation arises under lessors insurance. Such insurance shall remain in effect during the course of the rental agreement, and shall include the following coverage: broad form contractual liability, personal injured liability, completed operations and products liability. Such insurance shall have provide general aggregate limits of not less than \$2,000,000 (including the coverage specified above), personal injury and advertising injury of not less than \$1,000,000 and per occurrence limits of no less than \$1,000,000.

13. NOTICE OF INSURANCE: Before obtaining possession of the property leased, lessee shall provide lessor a certificate of insurance and applicable endorsements confirming each of the coverage specified above. All certificates of insurance shall be sign by an authorized agent or representative of the insurance company. All insurance maintained by lessee pursuant to the foregoing provisions shall be issued by an insurance carrier authorized to do business in the state of California with a Best rating of A-or higher. The failure of lessor to demand suck notice or proof of insurance shall not excuse lessee from providing it.

14. NOTICE OF CANCELLATION OF INSURANCE: Lessee shall provide lessor with thirty (30) days written notice prior to the effective cancellation, material change, or modification to any insurance required to be maintained by lessee pursuant to the foregoing provisions.

15. WAIVER OF SUBROGATION: All insurance maintained by lessee pursuant for the foregoing provisions shall contain a waiver of subrogation against lessor.

16. FAILURE TO PROCURE INSURANCE: Should lessee fail to procure or pay the cost of maintaining in force the insurance the insurance specified herein, or to provide lessor upon request with satisfactory evidence of insurance, lessor may, but shall not be obliged to procure the insurance and lessee shall reimburse lessor on demand for such costs Lapse or cancellation of the requirement of insurance shall be immediate and automatic, default of this rental agreement.

17. SUBLEASE BY LESSEE: The grant by lessee of a sublease of the property shall not effect lessee s obligation to procure insurance for the benefit of lessor as provide herein nor shall such sublease otherwise effect or diminish any of lessee s obligation under this agreement.

18. REMOVE AL FROM STATES/US: lessee shall not remove the property from the state of lessors applicable rental office without lessor prior written consent, nor shall the property be removed (under any circumstances) from the United States of America.

19. ATTORNEY FEE: lessee hereby agrees to pay all of lessors attorney fees and costs actually incurred by lessor in enforcing the terms and conditions of this agreement, regardless of whether or not legal action is filled.

20. PLACE OF CONTRACT, VENUE AND APPLICABLE LAW: This agreement shall be deemed entered into at lessor principal office located in the country of Los Angeles in the state of California. In the event of any dispute between the parties, lessor and lessee agree that venue in legal action between them shall be in the superior court for the country of Los Angeles, state of California law shall apply in the interpretation of this agreement.

21. INCORPORATION BY REFERENCE: This agreement and any attached of future Equipment schedules are incorporated by reference and make an integral part of this agreement. This instrument and any such equipment schedules constitutes the completed agreement between the parties as to the issues covered herein. Further no agreements, representations, or warranties other that those specifically set forth in this agreement or in the attached equipment schedules shall be binding on any of the parties unless they are also set forth in a written that is signed by both parties.

22. SECUTITY DEPOSIT: lessor may, at lessor s options, required lessor a security in an amount determined by lessor. Said security deposits, if done by credit and/ or charge card, shall be final. Lessee and /or charge card holder waiver all rights to dispute charges with credit card Company and agrees to resolve dispute as if the charges were made as cash payments. In the event that the credit /charge company fails to honor lessor s charges for any reason, or if the credit card charge or credit available shall be insufficient to cover the claims of lessor under this agreement, lessee shall remain absolutely liable for the full amount of the claims. The election by lessor to request and accept a security deposit in lieu of a proof of insurance certificate from lessor, or for any other reason, does not constitute a waiver of limitation by lessor of any of lessor s rights or lessee s obligations under this agreement.

23. TITLE AND OWNERSHIP: This agreement constitutes a lease and not a sale of the property or the creation of a security interest therein. No part of the rental payments made under this agreement shall be deemed payment towards the purchase of any of the property. Lessee specifically acknowledges the lessor s superior title and owner ship of the property and must keep the property free of all liens, levies and encumbrances.

24. SURRENDER: Upon the expiration or earlier termination of this lease. Lessee shall return the property to lessor in the same condition as at the delivery to lessee. Ordinary wear and tear excepted. Lessee does hereby grant lessor an option to terminate this agreement on twenty-four hours notice.

25. INSPECTION: Lessor shall have the right to inspect the equipment or observe its use at all reasonable times.

26. SEVERABILITY: The provisions of this contract shall be severable so that the invalidity, unenforceability or waiver of any of the provisions shall not affect the remaining provisions.

Initials: _____

27. TERMS OF RENTAL: Unless otherwise specified in writing, the property shall be leased on a day-to day basis and all rates shall apply to each full day or any fraction thereof which has elapse between the time the property is delivery to lessee and the time is return to lessor. Lessee agrees to return the property on the date and time specific on the equipment schedule. If lessee fails to return the property by the return date specific, lessee is liable for the dairy rental cost of the property until is returned. Unless otherwise stated in writing, a full additional day s rental will be charged for any property not returned by 10:am on the due date. The rental fee payment for any item of property shall be the lessors standard dairy rental rate for such equipment. Lessors standard dairy rates are subject to change at any time without notice. Lessor may discounts rates upon their discretion. Discounts may be revoked at any time. All rates are FOB lessor, and lessee is responsible for all shipping charges . No allowance will be made for items delivery to but not use by lessee.

28. PAYMENTS AND CHARGES: Rental rates are offered to lessee based upon lessee s credit information available to lessor at time of rental. If lessee s credit information is incorrect or charges during the course off the rental, lessor may revise the applicable rate without notice. Lessee agrees rental invoices and lost or damage invoices are payable upon receipt of invoices or use of the equipment. Any discounts granted by lessor my bee revoked at any time after thirty (30) days. If credit card is supplied by lessee to lessor, lessee acknowledges and grants lessor the unequivocal right to recover from lessee s credit card immediately and/or consecutively any charges or amounts due lessor until paid in full. Lease payments may be not applied to the purchase or repair or replacement cost of the property.

29. INTEREST CHARGES: Monetary balances unpaid by lessee and unpaid claims by lessor against lessee shall bear interest at the rate of 1.5 percent per month until paid; provide, however that if such interest rate exceeds the maximum amount allowed under the laws of the state of lessor s applicable rental office then that maximum amount shall instead apply.

30. CANCELLATION: In the event of cancellations, charges may apply in consideration of lessor s preparing , holding in reserve or sub-renting equipment on lessee s behalf. Lessor shall be entitled to compensation of any losses sustain because of full or partial cancellation of order. Cancellation is subject to payment of the fist-day rental or forfeiture of deposit, whichever is greater.

31. DEFAULT: In the event lessee shall fail to make any of the lease payments wen due shall fail to perform any other covenant or condition hereof to be performed by lessee or any of the events describe on this agreement , lessor may, in addition to all other remedies provided by law , exercise any one or more of the followings, with or without demand, notice or legal process:

- A: recover from lessee all sums then due.
- B: repossess the property (by entering upon lessee s premises if necessary) without liability for trespass, or responsibility with respect to the property or to any article left in or attached to same; and recover from lessee all damages sustained by lessor as a result thereof.
- C: recover from lessee any all damage which lessor shall have sustained by reason of non-performance by the lessee of the terms and conditions of this agreement.
- D: retain, free from any claim by lessee, all payments or other property theretofore received under this agreement. E: recover from lessee all expenses incurred by lessor in protection of its rights under this agreement , including without limitation, attorneys s fees court costs , and cost of locations, repossessing, repairable reconditions and storing the property.

32. BANKRUPTCY: Neither this agreement nor property is assignable or transferable by operation of law. If any processing under the bankruptcy act, as amended, is recommend by or against the lessee, or if the lessee is adjudge insolvent or makes any assignment of the benefit of this creditor or if writ of attachment or execution is levied on any item of the equipment and is not released or satisfied with is 10 days therefor or if receiver is appointed in any proceeding or action to which the lessee is a party with authority to take possession or control of any item of the property ,lessor shall have and may exercise any one or more of the remedies set forth is section 31 [default) hereof. This agreement shall at the option of the lessor without notice ,immediately terminate and shall not be treated as an asset of lessor after exercise of said option and lessor recover from lessee any and all costs damage associated with recovering of the property

By signing LESSOR and LESSEE agree to the above terms and conditions. Each warrants to the other that person signing below has full authority to enter into this agreement and/or sign this agreement on behalf of a corporate or like business entity.

DATE _____

DATE _____

Signature _____
Authorized Representative of Lessee

Signature _____
Authorized Representative of Multimedia Systems

Please Print Name

Please Print Name

