EQUIPMENT LEASING AGREEMENT

RECITALS:

PACIFIC POST RENTALS, Inc., a California corporation ("PPR"), located at 100061
Riverside Drive, Toluca Lake, CA 91602, Tel: 888-341-2843,
Fax: 877-341-2843, accounting@pacificpostrentals.com, is in the business of leasing
equipment to the entertainment industry, and,
("LESSEE") are entering into this Equipment Leasing Agreement (the "Agreement") with
respect to the equipment set forth on the attached Schedule "A". This Agreement is
effective upon execution by LESSEE or LESSEE's authorized representative.

For the purpose of establishing an account with PPR, LESSEE has completed and delivered to PPR a LESSEE Profile and Credit Application (the "Application") and LESSEE represents to PPR that the information set forth on the Application is true and correct in all particulars, and that PPR may rely upon said information in entering into this Agreement, extending credit to LESSEE, and delivering the specified equipment to LESSEE together with technical support and equipment service. Additional Equipment may be delivered to LESSEE from time to time, as requested, and all terms and provisions of this agreement shall apply with equal force to any additional leased equipment.

TERMS AND CONDITIONS:

1. PAYMENT & CREDIT:

- 1.1 Payments for Services, Terms & Adjustments: PPR shall submit to LESSEE invoices for equipment rentals from time to time, not less often than monthly, which invoices shall be due and payable on presentation, or if PPR has granted LESSEE an open account, within 30 days of the invoice date. LESSEE shall comply with all credit terms extended by PPR. Any invoice not paid when due shall bear interest at the rate of 1.5% per month (18% per year). LESSEE shall present any claim for adjustment of an invoice in writing within thirty (30) days from the date of the invoice. LESSEE waives any claim for adjustment which is not presented within the stated time
- 1.2 <u>Credit Application/References</u>: If LESSEE applies for credit with PPR, LESSEE authorizes PPR to verify the information stated by LESSEE on the Credit Application, and agrees to obtain any other information PPR may reasonably request. Any person or entity given as a reference is hereby authorized and directed to release such information to PPR.
- 1.3 <u>Third Party Payment:</u> PPR shall have no obligation to accept work submitted by LESSEE to be billed to a third party. If PPR accepts such work, LESSEE and the third party are jointly and severally liable for payment to PPR.

2. SECURITY DEPOSIT, CANCELLATION & INSURANCE:

2.1 <u>Security Deposit & Cancellation Fees:</u> LESSEE shall deposit not less than one months rental upon execution of this Agreement as a security deposit. In the event of cancellation of any order prior to the expiration of the agreed upon term, the stated rental fee shall become due and payable in full upon demand by PPR, and

PPR shall have the right to apply the security deposit to the balance of LESSEE's account, and the balance due in excess of the deposit shall be due and payable, forthwith.

2.2 <u>Certificate of Insurance:</u> LESSEE shall provide a certificate of insurance naming PPR (Pacific Post Rentals, Inc.) as additional insured and loss payee. Certificate must be mailed to the address set forth above.

3. CARE AND REPLACEMENT OF EQUIPMENT:

- 3.1 No Sale or Security Interest in Lessee, No Assignment: This agreement constitutes a lease or bailment of the property described and not a sale or the creation of a security interest in the LESSEE who shall not have, or at any time acquire, any right, title or interest in the property except the right to possession and use as provided for in this lease. PPR shall at all times be the sole owner of the leased equipment and LESSEE shall not assign or sublease the equipment to any other entity owned or controlled by LESSEE or to any third party without prior express written permission of PPR.
- 3.2 <u>Care, Maintenance and Replacement</u>: LESSEE shall keep and maintain the leased equipment during the term of the lease at LESSEE's own cost and expense in a good state of repair, normal wear and tear excepted, for failure of which LESSEE shall replace the leased equipment or pay to PPR full compensation for replacement thereof. PPR's invoice for replacement or repair is conclusive as to the amount LESSEE shall pay under this paragraph for any such repair or replacement.
- 3.3 <u>Location of Leased Equipment</u>: LESSEE shall inform PPR of the address or location to which the equipment is delivered and its location while in LESSEE's possession and shall not change the location without prior notice and written approval by PPR.
- 3.4 Access to Premises: LESSEE shall allow PPR to enter LESSEE's premises where the leased equipment is stored or used at all reasonable times to locate and inspect the state and condition of the Leased equipment. If the LESSEE is in default of any of the terms and conditions of this agreement, PPR, and its agents, at the LESSEE's risk, cost and expense may at any time enter the LESSEE's premises where the Leased equipment is stored or used and recover the Leased equipment without legal process, free of all rights of LESSEE who waives any right of action LESSEE might otherwise have arising out of the entry and repossession, and releases PPR of any claim for trespass or damage caused by reason of the entry, repossession, or removal.

4. RIGHT TO REFUSE PERFORMANCE:

4.1 <u>Generally:</u> In addition to PPR's rights above, PPR may, without liability to LESSEE, refuse to perform any service or provide any goods which PPR, in its sole discretion reasonably believes may tend to expose PPR to civil or criminal liability. In such an event, PPR shall have the right to terminate this agreement and retain possession of all media until LESSEE has paid in full for work performed to the date of termination.

- 4.2 <u>No Encumbrances</u>: LESSEE shall not pledge or encumber the rented equipment in any way. PPR may terminate this agreement immediately upon the failure of LESSEE to make rental payments when due, or upon LESSEE'S filling for protection from creditors in any court of competent jurisdiction.
- 5. RISK OF LOSS, NO WARRANTIES, HOLDOVER CHARGES:
- 5.1 Risk of Loss and Additional Lease Charges The equipment shall be delivered to LESSEE and returned to PPR at the end of the lease term at the LESSEE's risk, cost and expense. If a periodic rate is charged by PPR, lease charges are billed to the LESSEE for each period or portion of the period from the time the equipment is delivered to LESSEE until its return. If a term lease rate is charged by PPR, lease charges are billed to the LESSEE for the full term even if the equipment is returned before the end of the term. If the equipment is not returned at the end of the term, then the lease charges shall continue on a full term basis for any additional term or portion thereof until the equipment is returned.
- 5.2 <u>Non Use & Waiver of Rights</u>: No allowance will be made for any Leased equipment or portion thereof which is claimed not to have been used. Acceptance of returned equipment by PPR does not constitute a waiver of any of the rights PPR has under the lease agreement.
- 5.3 <u>Warranties</u>: PPR makes no warranty of any kind regarding the leased equipment, except that PPR shall replace the equipment with identical or similar equipment if the equipment fails to operate in accordance with the manufacturer's specifications and operation instructions. Such replacement shall be made as soon as practicable after LESSEE returns the non-conforming equipment.
- 5.4 <u>Hold Harmless</u>: LESSEE indemnifies and holds PPR harmless for all injuries or damage of any kind, including damages for repossession and all consequential and special damages for any claimed breach of warranty.

6. MISCELLANEOUS:

- 6.1 <u>All Work:</u> This Agreement applies to all PPR work performed, services rendered and material furnished for the account of LESSEE until rescinded, terminated or modified by a subsequent written agreement.
- 6.2 Entire Agreement: The Agreement constitutes all the terms and conditions, including, without limitation, all representations and warranties, agreed to by the parties, and replaces and supersedes any prior general agreement inconsistent with the terms hereof or any provisions on the face or reverse side of any purchase order submitted by LESSEE or any attachment thereto other than PPR's form. 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.
- 6.3 <u>Interpretation:</u> 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 LESSEE or PPR.

- 6.4 <u>Governing Law:</u> 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.
- 6.5 Attorney Fees: LESSEE shall reimburse all attorneys fees incurred by PPR in or in connection with the following: (a) any litigated or non-litigated dispute between LESSEE and any other person or entity which involves or results in a demand or conflicting demands on PPR; (b) any interpleader action involving PPR; (c) any litigation or non-litigation action taken by PPR to demand payment of, or for the collection of, amounts due or past due to PPR; (d) the interpretation or enforcement of this Agreement; or (e) or any other dispute between or involving LESSEE and PPR.

The undersigned warrants and represents that, as LESSEE, the undersigned has read and accepts the foregoing terms and conditions and has full power and authority to enter into this lease:

Date:		, 20
Signature:		
Print Full Name:		
	PERSON	IAL GUARANTY
The undersigned hereby pers Agreement of even date here		ntees performance of this Equipment Leasir
Date:	20	
Print Full Name		Signature of Guarantor