

RENTAL AGREEMENT (4.0)

The terms and conditions of this Agreement and all "Rental Schedules" executed by you ("Lessee") from time to time, form the contract ("Rental Contract") between you and Videosmith, Inc. ("Lessor"), located at 200 Spring Garden Street, Philadelphia, PA 19123 (the "Premises"). Each time you rent equipment from Lessor, Lessee or an authorized person signing on Lessee's behalf will sign a completed "Rental Schedule" which will list all equipment rented (the "Equipment"), the return date, and other matters of mutual agreement, between Lessee and Lessor.

1. **Testing the Equipment.** The Lessee acknowledges that he has inspected and tested the Equipment listed on the Rental Schedule at Lessor's at the time of rental or sale and that Lessor has made no warranties, express, implied, oral, written or otherwise as to the condition, performance, operation, fitness to use or any other matter regarding the Equipment except as expressly set forth in this Rental Contract. The Lessee acknowledges that he has received the Equipment in good, workable, operating condition, mechanically, optically, electrically and in all other respects.
2. **Pick Up and Delivery.** Lessee is considered to have taken delivery of the Equipment and therefore assumes all risk of loss from the time that the Equipment is set aside on the Premises from Lessor's general inventory until the Equipment has been returned to Lessor's general inventory in good working order or the termination date of the Rental Contract, whichever is later. Lessee is responsible for any and all damages to the Equipment and/or other property or persons during inspections, testing or use at the Premises and assumes all risk of loss for any and all property brought onto the Premises. After testing the Equipment, Lessee must notify Lessor of any defective or inoperable Equipment immediately upon discovering the defect or problem. Unless the Lessee notifies Lessor of any defect or problem with the Equipment prior to removing the Equipment from the Premises, the Lessee agrees that the Equipment is in good working order and that the Equipment is acceptable to Lessee.
3. Lessee is required to pick up and return the Equipment at the Premises, and during regular business hours.
4. **Location, Liens and Encumbrances, Tags.** Lessee shall not remove the Equipment from the United States without the prior written consent of the Lessor. If such consent is given, it is Lessee's responsibility to register the Equipment with U.S. customs agents. Title to the Equipment is and shall remain Lessor's. Lessee shall not directly or indirectly sublet or license the Equipment, assign this Lease or create or allow any lien, charge, security interest, or other encumbrances upon, in or against the Equipment. Lessee agrees not to remove or cover name plates or tags on the Equipment showing ownership by Lessor.
5. **Damaged, Destroyed, Lost or Stolen Equipment.** As soon as Lessee discovers that any of the Equipment is defective or damaged, Lessee must notify Lessor of the problem, and at Lessor's sole discretion return the Equipment to Lessor for evaluation.
6. Upon receipt of the defective or damaged Equipment, Lessor will make a determination of the extent of the defect or damage and the required repairs. In determining whether Equipment shall be repaired or replaced, Lessor's judgment shall be conclusive and binding upon Lessee. Lessee is responsible for the cost of any necessary repairs, and if Lessor determines that the Equipment must be replaced, the Lessee shall also be responsible for the cost to replace the same item or the closest comparably equipped model at full replacement cost without deduction for depreciation.
7. In the event that after the delivery to Lessee, any of the Equipment is lost, stolen, otherwise disappears or is not returned to Lessor for any reason, Lessee will be responsible for the cost to replace the same item or the closest comparably equipped model at full replacement cost without deduction for depreciation.
8. It is expressly understood that rental charges for the Equipment shall continue to be payable regardless of any claim of loss, defect or damage in the Equipment. Beginning at the end of the original lease period, rental charges for the damaged or lost items shall accrue at the full daily rate for the item(s) regardless of any package or other discounts agreed to at the inception of the Rental Contract, until the item(s) is repaired and/or replaced and Lessee has paid the invoice for the damages or replacement cost in full to Lessor.
9. **Rental Charges and Late Charges.** Lessee must return the Equipment to Lessor on the date specified in the Rental Contract or be subject to additional rental charges. The last rental day shall be the day specified in the Rental Contract, provided however, that Lessee may return the Equipment to Lessor during the grace period which shall extend until 10:00 AM of the next business day without incurring additional rental charges. The Lessee will be responsible for a full additional day's rental for each day Equipment is not returned after the expiration of the grace period, regardless of any package or other discounts agreed to at the inception of the Rental Contract.
10. The acceptance of the return of the Equipment is not a waiver by Lessor of any claim that it may have against Lessee, nor a waiver of claims for latent or patent damages to the Equipment.
11. A finance charge of one and one-half percent per month (which is an annual percentage rate of eighteen percent) will be charged for any past due balances 30 days or over.
12. **Insurance.** Lessee shall at its own expense, provide and maintain in full force and effect, insurance covering the Equipment leased under this Rental Agreement. All Equipment coverage shall be worldwide and on a replacement cost basis without any deduction for depreciation. Lessee shall provide to Lessor a Certificate of Insurance in compliance with this paragraph prior to delivery of the Equipment. Notwithstanding this paragraph, the Lessee shall remain primarily liable to Lessor for full performance under this Rental Contract.
13. **Default.** Lessee shall be in default under this Rental Contract if: (i) Lessee breaches any provision of this or any other Rental Contract between Lessee and Lessor; (ii) Lessee fails to punctually make any payment due under this or any other Rental Contract between Lessee and Lessor; (iii) any execution or other writ or process is issued in any action or proceeding against Lessee whereby the Equipment may be seized, taken or detained; (iv) a proceeding in bankruptcy, receivership or insolvency is instituted by or against the Lessee; (v) any judgment is obtained against Lessee, or (vi) in Lessor's sole discretion the Equipment is being used improperly.
14. If Lessee has defaulted under this Rental Contract, then and in such event, Lessor shall have the option to immediately take possession of the Equipment and shall have the right with its agents and employees to enter any premises where the Equipment may be and to remove the same with or without force and with or without notice, without being liable to any suit or action or proceeding by Lessee for such acts. In the event of Lessee's Default under this Rental Contract, full rental rates shall be payable in any event from the commencement of the original rental period until the date the Equipment is returned to Lessor's general inventory or retaken.
15. **Survival.** All of Lessee's obligations hereunder shall survive return of the Equipment.
16. **Data.** Information captured or recorded by the Equipment (the "Data") is the property of Lessee. Lessor assumes no responsibility for use, misuse, loss, damage or destruction of the Data from any cause whatsoever. Lessee must clear all images, content or data from the Equipment prior to returning it. If Lessee fails to do so, Lessor is authorized to do so, without prior notice to Lessee. Lessee is solely responsible for storing and safeguarding its images, content and data prior to returning the Equipment.
17. **Indemnifying the Lessor.** Lessee shall indemnify, defend and hold harmless Lessor, its agents, officers, employees, guests or invites from, and against, any and all losses, damages, claims, demand or liability of any kind or nature whatsoever, including, but not limited to; lost profits, delay and legal expenses arising from the use, condition (including, without limitation, latent and other defects) or operation of the Equipment (including, without limitation, bodily injury and property damage). This indemnification shall continue in full force and effect during and after the term of this Rental Contract for causes of action arising during the term of the rental.
18. **Effect of Waiver.** No waiver of Lessee's obligation hereunder by Lessor shall serve to prejudice enforcement by Lessor of any other of Lessee's obligations.
19. **Severability: Governing Law.** If any provision of this Lease shall be held invalid or unenforceable, the validity and enforceability of the remaining portions hereof shall not be affected thereby. This Lease is entered into under, and shall be in accordance with, and governed by, the laws of the Commonwealth of Pennsylvania.
20. **Entire Agreement.** This lease constitutes the entire agreement between the parties respecting the Equipment and may not be amended except by in writing and signed by the parties hereto.