



TERMS AND CONDITIONS
EQUIPMENT LEASE
SCHEDULE "A"

THIS LEASE AGREEMENT WITNESSES THAT in consideration of the covenants herein contained lessor and lessee agree as follows:

1. Lease and Term
 - 1.1. Parktown Studios Inc. ("Parktown") hereby agree to provide and Customer hereby agrees to rent from Parktown the Equipment (the "Leased Property") for the term as specified on the front page of this Agreement (the "Term")
 - 1.2. If the customer remains in possession of the Leased Property after the Return Date, all the terms, conditions and provisions of this Agreement shall apply until the Leased Property has been returned to Parktown or Parktown has, by express agreement in writing, relieved the Customer from its obligations hereunder. Nothing in paragraph 1.2 shall have, or be deemed to have effect of extending or renewing the term hereof.
2. Rental
 - 2.1. Throughout the Term hereof the Customer shall pay to Parktown Lease Payments ("Rent") as set out in the most recent catalogue of Parktown's for the Equipment Rental.
 - 2.2. Rental payments are payable at Parktown's address shown herein or at such other address as Parktown may from time to time designate in writing. The Customer agrees that its obligation to pay all Rent and any other amounts owing shall be absolute and unconditional under all circumstances. The Customer agrees to pay all Rent regardless of any claim in the nature of set off or compensation which may be made by the Customer. The Customer shall not be entitled to any abatement or reduction of Rent including, but not limited to, the abatements or reductions due to any present or future claims of the Customer against Parktown or any assignee, under this Agreement or otherwise or against the manufacturer of the Leased Property.
3. Place of Use
 - 3.1. The Leased Property must be kept and used at the place specified on the front page of this Agreement and must be used for the purpose set forth on the front page of this Agreement. The Customer will not move the Leased Property from that address without the express written consent of Parktown. The Customer agrees that the Leased Property will not be taken from the ground in an airplane or any machine used for air travel without prior written consent of Parktown. The Leased Property shall at all times remain under the immediate control, supervision and direction of the Customer.
4. Use
 - 4.1. The Customer shall operate, use, and preserve the Leased Property in the manner specified by the manufacturers of the Leased Property in accordance with all applicable law.
 - 4.2. The Leased Property must not be used for any illegal, or improper purposes, nor in any place or manner such as to cause suspension, cancellation, impairment or nullity of any insurance or warranty placed on or in respect of the Leased Property.
 - 4.3. The customer agrees not to remove or cover the tag or nameplate on the Leased Property showing ownership of Parktown.
5. Warranties
 - 5.1. THE CUSTOMER ACKNOWLEDGES THAT PARKTOWN IS NOT A MANUFACTURER OF THE LEASED PROPERTY. PARKTOWN MAKES NO WARRANTIES OR CONDITIONS EITHER EXPRESS OR IMPLIED, WITH REGARD TO THE LEASED PROPERTY PROVIDED UNDER THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, ALL IMPLIED WARRANTIES OR CONDITIONS OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF DEALING OR USAGE OF TRADE.
 - 5.2. This Section 5 shall survive the termination of this Agreement
6. Limitation of Liability
 - 6.1. THE CUSTOMER AGREES THAT THE LIABILITY OF PARKTOWN, IF ANY, ARISING OUT OF THIS AGREEMENT IS LIMITED TO MONEY DAMAGES NOT TO EXCEED THE TOTAL OF THE PRIOR PAYMENTS MADE UNDER THIS AGREEMENT OR, AT PARKTOWN'S DISCRETION, TO REPLACEMENT OF THE LEASED PROPERTY OR EQUIVALENT ADJUSTMENT OF THE RENTAL PAYMENTS. PARKTOWN WILL NOT BE LIABLE FOR ANY INDIRECT OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES OF ANY NATURE OR KIND WHATSOEVER.
 - 6.2. This Section 6 shall survive the termination of this Agreement.
7. Repair and Risk of Loss
 - 7.1. The Leased Property is at all times in every respect at the risk of the Customer.
 - 7.2. The Customer must at its own expense keep the Leased Property in good repair. Without limiting the generality of the foregoing, the Customer must, in the event of loss, disappearance or theft of the Leased Property, replace the Leased Property with identical Equipment of equal value and if requested by Parktown, the Customer must execute and deliver to Parktown a valid and effective conveyance and sale thereof.
 - 7.3. If replacement as provided for in paragraph 7.2 is impossible, or if not made within fifteen (15) days of such loss, disappearance or theft, the Customer must pay to Parktown, within thirty (30) days of such loss, disappearance or theft, a sum equal to the replacement cost of the Leased Property, as determined by Parktown.
 - 7.4. The Customer further agrees to compensate Parktown for any time or additional rentals lost as a result of the replacement or the need for making repairs on the Leased Property.
8. Inspection
 - 8.1. Parktown or its agents may at any time, at reasonable hours, inspect the Leased Property. The Customer will allow Parktown to enter the premises where the Leased Property is located.
9. Liens and taxes
 - 9.1. The Customer must keep the Leased Property free of liens, charges, and encumbrances of every nature and kind whatsoever and must pay all fees, taxes, or other which may be levied or assessed, directly or indirectly, on, against, or on account of this agreement, rental payments, the Leased Property or the ownership thereof by Parktown or possession or use thereof by the Customer.
10. Assignment and Subletting
 - 10.1. The Customer may not, without obtaining the prior written consent of Parktown (which consent may be arbitrarily withheld by Parktown), assign, transfer, pledge or hypothecate this agreement or any interest herein or in the Leased Property or any part thereof, or sublet the Leased Property or permit the use thereof by any person other than the Customer or employees of the Customer.
11. Indemnification
 - 11.1. THE CUSTOMER AGREES TO INDEMNIFY AND SAVE HARMLESS PARKTOWN FROM AND AGAINST ALL LOSS, COSTS AND DAMAGES WHICH PARKTOWN MAY SUFFER, SUSTAIN, INCUR, BE OR BECOME LIABLE FOR OR WHICH MAY BE CAUSED BY, CONNECTED WITH OR HAVE RESULTED FROM THE USE, OPERATION, MAINTENANCE, OR POSSESSION OF THE LEASED PROPERTY BY THE CUSTOMER.
12. Insurance
 - 12.1. The Customer shall at its own cost and expense, during the Term and any period of overholding pursuant to paragraph 1.2:
 - (a) Insure and keep insured the Leased Property for the full replacement cost thereof against loss or damage by fire, theft, water, collision, transportation, act of God, and such other perils and risks as would normally be insured against by prudent owners or users of Leased Property of a nature and kind similar to the Leased Property and against such other risks and perils and in such amounts as Parktown may at any time and from time to time reasonably in writing direct; and
 - (b) place and maintain insurance against liability imposed by law on Parktown or on the Customer for injury to, or death of, persons, or damage to or destruction of, property, to the extent of not less than such amounts as would be placed and maintained by a prudent owner of the Leased Property, or for such other amounts as Parktown may from time to time reasonably require for all such liability arising out of each occurrence during the policy period.
 - 12.2. All policies of the insurance must cover and protect Parktown and the Customer as their respective interests may appear and must contain an endorsement providing for loss payable to Parktown and the Customer as their respective interests may appear and any other endorsements which Parktown may require. The Customer must renew or replace such insurance as and when from time to time required, and must provide Parktown with evidence, satisfactory to Parktown, of such insurance or such renewal or replacement.
 - 12.3. If production insurance is not available Parktown may require a deposit equal to the full replacement costs of the leased equipment. Parktown may at any time and from time to time waive the deposit. The waiver of deposit does not release the Customer from any liability in regards to loss, damage or theft to the leased equipment. The Customer is at all times personally liable for all costs related to loss, damage and theft.
13. Return of Leased Property
 - 13.1. At the end of the Term the Customer shall return and deliver the Leased Property at its expense to Parktown at Parktown's address noted on the front page of this agreement (or at such other address as Parktown may notify the Customer in writing). Acceptance by Parktown of the return of the Leased Property shall not be a waiver by Parktown of any claims it may have against the Customer under this agreement or for any damage to the Leased Property.
14. Default
 - 14.1. The occurrence or happening of any one or more of the following events constitutes an event of default hereunder:
 - (a) If a petition for a receiving order is made or filed against the Customer or if the Customer makes any assignment for the general benefit of creditors or if any proposal is made or petition filed by the Customer under any law having for its purpose the extension of time for payment, composition or compromise of the liabilities of the Customer;
 - (b) If the Leased Property or any material part thereof is seized under legal process, confiscated, sequestered or attached or if distress is levied thereon and not released or satisfied within the (10) days thereafter;
 - (c) If the Leased Property or any material part thereof is in imminent danger of loss, serious damage or destruction;
 - (d) If the Customer fails to pay any amount due hereunder;
 - (e) If the Customer fails to observe and perform, or commits any act in breach of, any term, condition or provision of this agreement.
15. Remedies on Default
 - 15.1. If the Customer repudiates this agreement or if any event of default occurs, Parktown may:
 - (a) at its option take possession of the Leased Property wherever located, the Customer hereby waiving any and all damages occasioned by such taking of possession, and dispose of the same in such manner, for consideration and upon such terms and conditions as Parktown may reasonably deem fit and
 - (b) after having taken possession of the Leased Property or without taking possession of the Leased Property, claim by written notice to the Customer liquidated damages in the amount equal to the entire amount of then unpaid rental payments for the remainder of the Term.
16. Early Termination
 - 16.1. Parktown shall have the option to terminate this agreement on 24 hours written notice to the Customer, whereupon the Customer shall immediately return the Leased Property to Parktown, at the sole cost and expense of the Customer, in the same condition as first rented and Parktown shall upon receipt thereof refund the unexpired portion of any prepaid Rent paid by the Customer. The foregoing option of Parktown to terminate this agreement may be exercised without cause.
17. Legal Fees
 - 17.1. The Customer hereby agrees to pay all reasonable legal fees and expenses incurred by Parktown in protecting its rights under this agreement or in any action by Parktown against the Customer for breach of the provisions hereof.
18. Further Assurances
 - 18.1. The Customer agrees, at its expense, promptly upon Parktown's written request, to execute and deliver any instrument and to take any action as may reasonably be necessary in the opinion of Parktown to perfect and keep perfected as against third parties the interests of Parktown in the Leased Property. The Customer authorizes Parktown to record such documents as Parktown may consider appropriate and agrees to pay all costs in connection with them.
19. Overdue Payments
 - 19.1. Any monies which are not paid by the Customer when due bear interest calculated and compounded monthly from the due date thereof to the date of payment, at a rate per annum equal to the commercial lending rate of interest, expressed as an annual rate, which the C.I.B.C quotes in Toronto as the reference rate of interest (commonly known as "prime") for the purpose of determining the rate of interest that it charges to its commercial Customers for loans in Canadian Funds.
20. General Contract Terms
 - 20.1. All rights and remedies of Parktown hereunder are cumulative and not alternative and may be exercised in any order, sequence, or combination.
 - 20.2. No terms or conditions of this agreement may be waived, amended or varied except by writing signed by both parties.
 - 20.3. Forbearance or indulgence by Parktown in any regard whatsoever does not constitute a waiver of the term or condition to be performed by the Customer to which the same may apply.
 - 20.4. Time is in all respects of the essence hereof.
 - 20.5. Save as otherwise herein expressly provided, this agreement ensures to the benefit of, and is binding upon, the parties hereto, their respective heirs, executors, administrators, successors and assigns.

SCHEDULE "B"

1. No terms, representations or warranties expressed or implied not herein set forth in writing shall be binding on Parktown Studios Inc. ("Parktown")
2. The Customer acknowledges that Parktown is not the manufacturer of the Equipment. Parktown makes no warranties or conditions either expressed or implied with regard to the Equipment provided under this Agreement including, but not limited to, all implied warranties or conditions of merchantable quality and fitness for a particular purpose and those arising by statute or otherwise in law or from a course of dealing or usage of trade.
3. The Customer agrees that the liability of Parktown, if any, arising out of this Agreement, is limited to money damages not to exceed the total of prior payments made under this Agreement or, at Parktown's discretion, to replacement of the Equipment. Parktown will not be liable for any indirect consequential damages, losses or expenses of any nature or kind whatsoever.
4. The Customer agrees to indemnify and save harmless Parktown from and against all loss, costs and damages which Parktown may suffer, sustain, incur, be, or become liable for or which may be caused by, connected with, or have resulted from the use, operation, maintenance, or possession of the Equipment by the Customer.
5. Until the purchase price is paid in full, title to the Equipment shall remain in the name of Parktown Studios Inc., but all risk of loss shall be the obligation of the Customer.
6. All monies overdue hereunder shall bear interest, at a rate per month established by Parktown, based on the commercial lending rate of interest expressed as a monthly rate, from the due date until payment.
7. Customer hereby acknowledges having received a copy of this Contract.

By signing below, the Customer agrees that they have read and understood the above Terms and Conditions, and will be bound by them.

Full Name (Please Print): _____

Customer Signature: _____
(Parent or legal guardian if customer is under 18)

Date: _____