



SAUNDERS ELECTRIC

Temporary power facilities for Sho-Biz since 1952
Awarded Technical EMMY® in 1995

EQUIPMENT LEASE AGREEMENT

- 1. Saunders Electric Inc. ("SEI") liability.** Lessee acknowledges that it has examined and tested the equipment herein (hereinafter the Equipment), that it is good working condition, and is fit for the particular use and purpose intended by Lessee, and Lessee accepts the Equipment "as is." Lessee understands that the Equipment and any and all services or labor to be provided pursuant hereto, are leased or provided without warranty or guaranty of any kind, expressed or implied. Lessee further understands that SEI assumes no responsibility or liability of any nature whatsoever to any person, firm, corporation or any other type of entity for any claim, injury, damage or loss arising out of, relating to or resulting from (a) the Equipment, (b) the use of such Equipment, (c) labor or services furnished pursuant to this Agreement, (d) the performance or nonperformance of the Agreement. Lessee hereby waives any and all claims it may have against SEI with regard to any of the foregoing. Anything to the contrary notwithstanding, in the event any Equipment becomes inoperable or fails to perform as contemplated hereunder through no fault of Lessee during the rental term hereof, Lessee shall return for repairs or for exchange or replacement said Equipment to SEI during SEI's regular business hours at its place of business, and if SEI does not repair said Equipment or does not provide a replacement for said Equipment, Lessee's sole right shall be to receive a pro-rata refund or credit from SEI in the event of a claim by Lessee relating to, arising out of, or resulting from the performance of services and/or labor provided for in this Lease. Lessee's sole remedy shall be to receive a pro-rata refund or credit from SEI based upon such services and/or labor.
- 2. Liability of Lessee; Use, return and repairs.** Lessee agrees to return the Equipment to the same location from which it was taken in the same condition as taken, normal wear and tear excepted. Lessee further agrees that it shall not remove the Equipment from the State of California without the written consent of SEI. If SEI does not furnish labor to operate the Equipment, the Equipment shall be used only by duly qualified employees and/or agents of Lessee. Lessee shall use the Equipment in strict accordance with all applicable laws, according to the equipment's prescribed operating procedures. *No one, except for SEI's employees or SEI's certified installers are authorized to install, alter, or remove any low, medium or high voltage switches and/or transformers, nor alter any cable without prior expressed written permission from SEI. Any parts removed must be returned with the order. Lessee agrees to not to attempt to make any repairs of any nature, kind or description, and in the event said equipment becomes inoperative, SEI is to be notified immediately.* Unless labor is supplied by SEI, Lessee shall keep the Equipment in its sole custody and control. After delivery to Lessee, if any item of Equipment is lost, stolen, damaged, or destroyed, whether by fire, theft, burglary, fraud, disappearance, water or confiscation, Lessee shall pay to SEI the replacement cost without deduction for depreciation of such item, provided that if any item is returned in a condition which SEI in its sole discretion, deems a repairable one, Lessee shall pay SEI the actual or estimated cost of such repairs as determined by SEI. In the event of any such damage, loss, theft or destruction or in the event of non-return, Lessee agrees that the monetary value of each item of Equipment is the value listed in SEI's office at the time SEI is notified of such fact. A copy of such list will be shown to Lessee upon request.
- 3. "Hold Harmless"** Lessee agrees to indemnify and hold SEI and SEI's agents harmless from and against any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including reasonable attorney fees arising out of or resulting from the use of the equipment and such costs and/or fees will be paid by the Lessee regardless of the claimant or claimants who institute the action. Lessee further agrees that if action be instituted to enforce any provision of this Agreement, it will pay such sums as the court may fix as costs and attorney's fees. SEI uses great care to have all of its equipment in good order and repair, gives no warranty expressed or implied, as to condition, quality or any other matter of any equipment sent out, and will in no way be responsible for damages resulting while in user's possession. The Lessee agrees that the SEI shall not be liable for any personal injuries or other damage sustained by the rental of SEI's property while using the equipment

covered by this Agreement. The Lessee further agrees to keep SEI free and harmless from any loss, damage, responsibility or obligation sustained by the Lessee or any other person, due to use of this equipment.

4. Obtaining Government Permits, Licenses Laws. Lessee is responsible for obtaining all government permits and licenses pertaining to use and/or operation of the Equipment and for compliance with all applicable laws and regulations. When requested in advance, SEI may obtain electrical permits for an additional fee when requested by Lessee and SEI will obtain such permit only when SEI's employees install SEI's leased equipment. SEI shall not be responsible for other equipment at the location that does not pass inspection by a municipality.

5. Ownership & Credit to SEI. Lessee acknowledges that SEI owns all rights and interest in and to the Equipment and warrants that Lessee shall keep the Equipment free of all liens, levies and encumbrances and further acknowledges that it shall be responsible for all taxes, transportation charges, duties, broker fees, bonds, fines forfeitures, penalties and all other costs imposed upon the leasing or use of the Equipment. Lessee will not assign, transfer or sublet the Equipment or any right under this Lease and Lessee will not pledge, mortgage or encumber in any way the Equipment or Lessee's rights hereunder, and any such assignment, transfer, sublease, pledge, mortgage or encumbrance shall be null and void. The rental rates herein will not apply to purchase of any of the Equipment. Lessee agrees not to release nor re-deliver said equipment to any other person, firm, or corporation without disclosure of equipment location in the proposal and without the written consent of SEI. Title to the equipment shall at all times be in SEI and each transaction with SEI is a bailment only. In the event other suppliers of materials or services are accorded public credit in some fashion or manner relating to the purpose or production set forth herein, Lessee agrees to use its best efforts to display and/or mention SEI's logo, trademark and/or trade-name in a similar fashion.

6. Insurance: Before obtaining possession of the Equipment, Lessee shall provide SEI a Certificate of Insurance and applicable endorsements, including additional insured and loss payee endorsements confirming each of the coverages specified in this Standard Terms and Conditions. *Lessee shall secure and maintain, at its own expense (a) All Risk Physical Damage insurance including coverage for collision, and upset, and comprehensive losses to the equipment rented from SEI hereunder, and (b) Comprehensive General Liability and Business Auto Liability insurance both in an amount of not less than \$1,000,000 combined single limit for personal injury, bodily injury, and property damage.*

a. The Comprehensive General Liability form *shall include the coverage parts for non-owned and hired automobiles.* Lessee shall provide Certificates of Insurance, signed by an authorized representative of the Lessee's insurance company evidencing that Lessee is in compliance with the insurance provisions of this Agreement. Lessee shall have the insurance companies providing the coverages required hereunder *add the interest of SEI as additional insured and loss payee as its interest may appear in reference to any and all equipment provided by SEI under the terms and conditionals of this Agreement.*

b. Any insurance certificates provided in accordance with this Agreement shall stipulate that SEI shall receive 30 days written notice of cancellation from the insurance companies providing the required coverage prior to any cancellation or reduction in the limits of liability, each such certificate issued to SEI shall stipulate that the coverages indicated on the insurance certificate shall be primary coverage and not contributing with any other insurance maintained by SEI. It is agreed that Lessee's insurance coverage shall commence at the time SEI's equipment leaves SEI's premises and shall remain in full force and effect until the equipment is returned to the premises of SEI located at 9330 Laurel Canyon Blvd, Arleta, CA 91331.

7. Legal Proceedings. This Lease shall be governed by the State of California and Lessee agrees to accede to and not contest the jurisdiction of the courts of the State of California in any proceedings brought by SEI against Lessee and Lessee further agrees that any proceedings which it may institute arising from or resulting from this Lease shall be brought in the State of California. Lessee agrees to pay SEI's costs and attorneys fees in having to enforce the Terms and Conditions of this agreement.

8. Rental Charges and Interest. All sums owed by Lessee under this agreement which are thirty (30) days overdue shall bear interest at the rate of one and one-half percent (1½%) per month or the maximum permitted by law, whichever is greater. Sums owed by Lessee hereunder shall not be subject to any abatement or set-off. All equipment must be returned by noon of the return date and in the event the Equipment is not so returned, an additional day's rental shall be charged for each additional day overdue.

9. General Provisions. This Lease expresses the entire agreement of the parties and any changes hereto must be made in writing. No term, representation or warranty, expressed or implied, not herein set forth shall bind SEI. The terms and conditions (including the purpose on the Lease), as set forth on the front side hereof, as well as in

these Standard Terms and Conditions, shall apply to any and all equipment leased by Lessee from SEI and any and all services and/or labor provided or to be provided by SEI to Lessee from and after the date of execution hereof for which no separate written lease is executed.

10. Performance of any covenant of SEI hereunder may be suspended by SEI to the extent it is delayed, hindered or prevented because of any act of God, Force Majure, war, governmental regulation, labor dispute, shortage of necessary supplies or personnel, or other matters beyond its control, including without limitation, failure or delay of delivery by common carrier for any reason whatsoever. In the event SEI is prevented from performance hereunder due to any of the circumstances set forth the in the preceding sentence, SEI, in its sole discretion, may be relieved of performance hereunder without any liability whatsoever to Lessee for any reason except that Lessee shall be entitled to a pro-rata refund or credit for any Equipment not delivered to Lessee and/or services and labor not provided by SEI.

11. Notices hereunder shall be given in writing and mailed by certified mail, return receipt requested to either party to the addresses specified in the Agreement. The waiver by SEI of any breach of any term, condition or covenant herein shall not be deemed a waiver of any other breach of the same or any other term, condition or covenant. Section headings herein are for convenience and shall not be deemed to be among the terms conditions or covenants herein.

12. For operations in California: Lessee is renting equipment registered under the California Air Resources Board (CARB) Portable Equipment Registration Program (PERP). The operator of this equipment is subject to the requirements of the PERP regulation and location Air Pollution Control District Rules. Under the PERP Regulation, the Lessee is required to keep a copy of the rental agreement and CARB permit, including operating conditions and notification requirements, with the equipment at all times. By signing this form, the Lessee acknowledges receipt of these documents. The CARB permit for Lessor's generators are laminated and located inside one of the doors of each unit.

I have read, understand and agree to the above.

Lessee's Authorized Signature	Printed Name & Title	Date
Lessee:	Lessor: Saunders Electric, Incorporated	

_____	<i>Candace A. Saunders</i> Executive Vice-President Saunders Electric, Inc. 9330 Laurel Canyon Blvd. Arleta, CA 91331	
Phone		