



SEAWAY MEDIA CORPORATION CONDITIONS OF BUSINESS

February 2007

1. INTERPRETATION

In these Conditions of Business unless the context otherwise requires:

1.1 "Plus 8" means Seaway Media Corporation, a California corporation, doing business as Plus 8 Digital, having its principle place of business at 300 S. Flower Street, Burbank, CA 91502; 517 W. 35th Street, New York, NY 10001 or 1839 Richmond Avenue, Houston, TX 77098.

1.2 The "Customer" means the person (including his successors, personal representatives and permitted assignees) hiring Equipment or purchasing Goods and/or Services from Plus 8.

1.3 "Equipment" means cinematography equipment, lighting equipment, related electrical distribution equipment, cranes, remote systems, generators, vehicles, and all other related equipment and accessories hired by the Customer from Plus 8.

2. RENTAL FEE; TAXES

2.1 Rental Fee. The Customer shall pay Plus 8 a rental fee (the "Rental Fee") being the amount payable for the rental of the Equipment to the Customer, in accordance with the Delivery Receipt ("Delivery Receipt") and the rates in the Plus 8 rental catalogue (the "Rental Catalogue") unless otherwise agreed by Plus 8 in writing as evidenced by the periodic invoices issued by Plus 8 to the Customer. The minimum Rental Fee for interstate use of Equipment is two days and for overseas use is one week. Plus 8 reserves the right to alter the rates in the Rental Catalogue without notice to the Customer. Plus 8 shall be entitled for up to ten percent (10%) of the billed daily time on the job without any deduction for such "Down-Time" from the total charges payable by Customer.

2.2 Calculation. The Rental Fee shall be calculated from Delivery (defined below) until the Equipment is returned to Plus 8's place of business and is accepted by Plus 8 staff ("Return"). In the event that the Equipment is not returned by 9:00am on the working day following the last day of the hiring period, the Customer shall be liable for additional fees at the full daily rental rates set out in the Rental Catalogue for each day until the Equipment is returned. Unless otherwise agreed by Plus 8, cancellation of booked or reserved Equipment within 24 hours of the time specified for Delivery will incur a cancellation charge up to a maximum of 50% of the Rental Fee for the Equipment concerned.

2.3 Payment. The Customer shall pay the Rental Fee in United States Dollars without abatement, deduction or set-off, no later than 30 days after the date of Plus 8's invoice to Customer. However, Plus 8 reserves the right to require payment in cash upon confirmation of order or Delivery if Plus 8 so notifies the Customer. Past due amounts shall bear interest at the rate of 1½% per month and the parties agree that such default interest is not a penalty but is a true measure of damages incurred by Plus 8, and all such charges shall be payable on demand. Payments received from the Customer will be credited first against any default interest. In the event that the Customer fails to pay when due, the Customer shall be liable for all out-of-pocket costs incurred by Plus 8 in collecting such amounts, including but not limited to reasonable outside legal costs and disbursements.

2.4 Taxes. The Customer will be solely responsible for any and all taxes, transportation charges, custom duties, import taxes, broker fees, bond, and all other costs arising out of the Customer's hire, use or transportation of the Equipment or otherwise resulting from the customer's hire of the Equipment, excluding taxes based solely on Plus 8's net income.

2.5 Voided Payments. Any payment made by or on behalf of a Customer which is later voided by the application of any statutory provision shall be deemed not to discharge the Customer's obligations to Plus 8 and, in such event the parties are to be restored to rights and obligations which each respectively would have had if the payment had not been made.

2.6 Credit/Charge Card Charges. Credit and/or charge card payments are subject to the approval of the financial institution issuing the credit and/or charge card. Plus 8 shall not be liable in any way if such financial institution refuses to accept or honor the credit and/or charge card for any reason, in which case Customer shall remain directly liable to Plus 8 for any amounts owed by such Customer pursuant to these Conditions of Business. Any fees payable by Plus 8 to the issuing financial institution may be added to the Rental Fee payable by the Customer.

3. EQUIPMENT

3.1 Delivery. The Customer shall be responsible for the collection and return of the Equipment except where prior alternate arrangements are made with Plus 8. Plus 8 shall have absolute discretion as to the mode of delivery and the Customer shall, at all times bear the risk and the cost of delivery unless otherwise agreed by Plus 8. Delivery (including for the purposes of risk of loss) of the Equipment shall be effected Ex Works (Incoterms 2000) at Plus 8's place of business ("Delivery"). With each Delivery, Plus 8 shall provide to the Customer a Delivery Receipt that shall itemize the Equipment delivered. Unless Plus 8 receives written notice to the contrary from the Customer within 24 hours of Delivery, the Delivery Receipt shall be considered conclusive evidence that the listed Equipment was delivered in good working order.

3.2 Return. The Customer shall return the Equipment at the Customer's expense to Plus 8's place of business in the same condition as when received by the Customer, subject to reasonable wear and tear.

3.3 Use of Equipment. The Customer shall: (a) not use the Equipment for any purpose other than image capture, lighting and related electrical distribution of the Customer's project and related matters (e.g., as tests, titles, added scenes, retakes and trailers); (b)

not lend, sublet, pledge, or otherwise dispose of or encumber the Equipment, or permit anyone other than the Customer, persons under the Customer's direction and control (having appropriate qualifications and experience), or Plus 8, to have possession of, use, examine or evaluate the Equipment (c) not modify or disassemble the Equipment, except for the purpose of normal cleaning and maintenance in accordance with Section 3.6 below; (d) not attach anything to the Equipment by any means that causes damage to the Equipment; (e) take all reasonable precautions to avoid loss or damage to the Equipment during the period of hire; (f) ensure that any vehicle that is supplied to the Customer by Plus 8 or other vehicle used to transport the Equipment will only be driven in accordance with any applicable work rules or union or similar arrangements, by persons with an appropriate and current license and that such vehicles will be used in accordance with all laws governing their use and the Customer shall supply Plus 8 with written notice of the name of and licence details, including a legible copy of such licence, of each and every driver and the Customer shall be responsible for all fines and/or charges relating to breaches of relevant laws relating to the operation of the vehicle, (g) ensure that any Equipment requiring specialized technicians or operators is only operated or utilized by such qualified persons (h) advise Plus 8 of any fault in the Equipment, within 24 hours of Customer's discovery of such fault (i) not, without the prior written consent of Plus 8, use the Equipment on any abnormal or hazardous assignment or transport the Equipment from the ground other than on a regular scheduled flight by a reputable airline.

3.4 Inspection. Plus 8 shall have the right to inspect the Equipment or observe its use provided that Plus 8 has given the Customer not less than 24 hours notice and such inspection is conducted during Customer's normal business hours at Plus 8's own expense and does not interfere with the production of the Customer's project.

3.5 Recovery. The Customer acknowledges that Plus 8 may enter into or upon any such premises where the Equipment may be in order to remove the Equipment, without prejudice to the rights of Plus 8 to recover from the Customer any monies due hereunder or any damages for breach hereof and the Customer indemnifies Plus 8 in respect of any claims, damages or expenses arising out of any action taken under this clause.

3.6 Maintenance and Repairs. (a) Normal cleaning of Equipment (including cleaning and oiling movements, cleaning lenses and filters, and general cleaning), replacing and cleaning ground glass, and basic troubleshooting (including swapping fuses and removable circuit-boards) (collectively, "Normal Cleaning and Maintenance") shall be done by Lessee at its cost and shall only be performed by persons who have been provided explicit maintenance and service instruction by Plus 8. If the required repairs exceed Normal Cleaning and Maintenance, Plus 8 shall make such repairs, provided that Lessee returns such Equipment to Plus 8's Place of Business, unless Plus 8 determines that such repairs may be carried out at the location where the Equipment is being used, in which case Plus 8 may send a technician to such location for that purpose at Lessee's request and sole cost and expense. Plus 8 shall make such repairs or to replace the Equipment as promptly as reasonably practicable.

(b) The cost of repairs or replacement resulting from reasonable wear and tear, or from any defect in the Equipment (the "Plus 8 Covered Repairs") shall not be charged to the Customer, and, with respect to Plus 8 Covered Repairs, the Customer shall not be responsible for transportation costs for sending the Equipment back to Plus 8's Place of Business nor for the Rental Fee for such Equipment during the period it is being repaired or until it is replaced ("Repair Transport and Rent"); however, the Customer shall still bear the risk of loss during such period. Repairs or replacement costs resulting from any other cause, including, without limitation, misuse, accident or abuse of the Equipment shall be charged to the Customer, including Repair Transport and Rent.

3.7 Ownership. The Customer's rights in relation to the Equipment are as a renter only and nothing herein shall be construed as conveying to Customer any right, title or interest, other than a temporary leasehold interest, in or to any Equipment or in or to any other property of Plus 8, including but not limited to, Plus 8's intellectual property. Plus 8 may, but shall not be required to, identify the Equipment to indicate Plus 8's ownership by nameplate or other means, and the Customer agrees not to remove or deface such identification.

4. CREDIT

4.1 Credit Memorandum. The Customer acknowledges and agrees that its obligations with respect to Plus 8 credits shall be governed by the terms of the Plus 8 Credit Memorandum, a copy of which the Customer hereby acknowledges having received.

5. LOSS, DAMAGE, INSURANCE

5.1 Risk. The Equipment shall be at the Customer's risk from Delivery until Return except that acceptance of Equipment by Plus 8 staff upon Return does not release the Customer from responsibility for loss or damage to Equipment pursuant to these Conditions of Business.

5.2 Loss. In the event that Equipment is lost, stolen, missing, destroyed, or damaged beyond repair while at the Customer's risk, the Customer shall be liable for and agrees to compensate Plus 8 for the greater of replacement cost (without deduction for depreciation) or the insurance value prescribed on Plus 8's schedule of insurance values, which is available upon request and subject to update from time to time. Further, with respect to any lost, stolen, missing, destroyed or damaged equipment, the Customer agrees to compensate Plus 8 for the Rental Fee for the Equipment until the Equipment is repaired or replaced. Without limiting the Customer's obligation with respect to hired vehicles, if the Customer hires a vehicle, Customer shall be responsible for all damage to tires of such vehicle including tyres.

5.3 Customer Insurance. (a) Customer shall, at its expense, obtain and maintain in full force and effect insurance in compliance with this Section 5.3 covering any and all liability, claims, demands, actions, causes of action, loss, costs, damage and expenses arising out of or based upon the use or possession of the Equipment or the present or future fitness, quality, design, condition, repair, merchantability, functioning, performance or malfunctioning of the Equipment, or its material or workmanship, no matter how caused or occasioned, but excluding gross negligence or wilful misconduct of

Plus 8, its officers, directors, employees, agents, or representatives. Such insurance shall be written by reputable insurance carriers maintaining an AM Best Rating of A- and financial size 5 and must include rental charges incurred on lost or damaged Equipment while it is being replaced or repaired in accordance with Section 5.2. Customer's insurers must be the primary insurers of the Equipment during the Term and coverage shall be written on a non-contributor basis. Prior to delivery of the Equipment, the Customer shall provide to Plus 8 valid certificates of insurance complying with this Section 5.3. Customer shall provide Plus 8 at least 30 days prior notice of any proposed modification, alteration or cancellation of any such insurance. Customer agrees to inform its nominated insurer where any Equipment may be subjected to abnormal or hazardous conditions or possible damage by foreign materials such as salt, water, dust or sand so that full and appropriate insurance cover may be effected. Notwithstanding anything else in this Section 5.3, Customer shall remain primarily liable to Plus 8 pursuant to the provisions of Section 5.1 and 5.2 above, and Plus 8 may enforce its remedies hereunder directly against Customer without proceeding against the insurer.

(b) Minimum Requirements.

Type of Coverage (*)	Limits	Wording Requirements
Commercial General Liability Insurance	\$1 million per occurrence \$2 million aggregate	Seaway Media Corporation named as an additional insured Foreign territory extension, if filming outside the United States
Miscellaneous Equipment Floater	Equipment value as per Schedule B, plus \$250,000	Seaway Media Corporation named as the loss payee Worldwide coverage Replacement cost basis without deduction for depreciation Loss of use extension
Automobile Liability for owned and non-owned and hired vehicles	\$ 1 million combined single limit	Seaway Media Corporation named as an additional insured
Aircraft liability, if filming from an aircraft	\$5 million	Seaway Media Corporation named as an additional insured
Workers Compensation Insurance	As required by applicable legislation	

5.5 Loss Procedures. In the event of loss or damage to the Equipment of any kind the Customer shall: (a) immediately notify Plus 8 (and the Police where appropriate) and take all practicable steps towards discovery and recovery; (b) as soon as practicable, provide Plus 8 with a full written report of the circumstances of the loss or damage to Plus 8 and furnish Plus 8 with any particulars or evidence as may reasonably be required by Plus 8.

6. EXCLUSION OF WARRANTY

6.1 Exclusion of Warranty. PLUS 8 MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, THE FITNESS, QUALITY, DESIGN, CONDITION, REPAIR, MERCHANTABILITY, FUNCTIONING, PERFORMANCE OR MALFUNCTIONING OF THE EQUIPMENT, OR OF ITS MATERIAL OR WORKMANSHIP. The Customer further acknowledges that it has determined the Equipment as specified on the Delivery Receipt will be fit for its purposes and that it has not relied on the skill or judgement of Plus 8 or any person purporting to act on its behalf in selecting such Equipment and that before taking delivery the Customer has checked the Equipment for completeness, correct functioning and suitability, including film testing of all cameras wherever practicable in a manner similar to that in which they will be used by the Customer on the production.

7. LIMITATION OF LIABILITY & INDEMNITY

7.1 Limitation of Liability. PLUS 8'S OBLIGATIONS WITH RESPECT TO THE EQUIPMENT ARE LIMITED TO THE OBLIGATIONS PROVIDED FOR IN SECTIONS 3.1 AND 3.6 AND THE CUSTOMER EXPRESSLY ACKNOWLEDGES AND AGREES THAT PLUS 8 (AND ANY MASTER LESSOR OF THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO ORION TELESCOPIC CAMERACRANE S.R.O.) SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS, USE, OR OTHER LOSSES RESULTING FROM THE FITNESS, QUALITY, DESIGN, CONDITION, REPAIR, MERCHANTABILITY, FUNCTIONING, PERFORMANCE OR MALFUNCTIONING OF THE EQUIPMENT, OR OF ITS MATERIAL OR WORKMANSHIP.

7.3 Waiver & Indemnity. The Customer waives, releases and agrees to defend, indemnify and hold harmless Plus 8, its affiliates and related companies and each of their respective officers, directors, employees, shareholders, agents, representatives, insurance carriers, successors, licensees, and assigns, and each of them, from any liability, claims, rights of subrogation, demands, actions, causes of action, losses, costs, damages and expenses (collectively, "Claims") arising out of or based upon the Customer's breach of the terms of these Conditions of Business, subrogation claims by the Customer's insurers, or the Customer's use, possession, operation, and transport of the Equipment, including, without limitation, the preparation and testing of the Equipment (whether or not the preparation and testing takes place on Plus 8's premises), other than Claims arising out of or based upon the gross negligence or wilful misconduct of Plus 8.

8. DEFAULT & REMEDIES

8.1 Default. It shall constitute an event of default ("Default") under these Conditions of Business: (a) if the Customer shall fail to pay the Rental Fee in accordance with these

Conditions of Business, the Delivery Receipt and periodic invoices; (b) if the Customer shall do or permit any act or thing whereby Plus 8's rights in the Equipment may be prejudiced, or which constitutes illegal or improper use of the Equipment; (c) the Customer shall become insolvent or shall cease to conduct its business as a going concern, or shall apply for or consent to otherwise obtain the appointment of a receiver, trustee, administrator, liquidator or similar appointment to the Customer or assets of the Customer, or if proceedings are instituted under any applicable insolvency law; (d) if the Customer commits any breach of these Conditions of Business, the Delivery Receipt or the Plus 8 Credit Memorandum other than as referred to in (a), (b), or (c) above and such breach has not been cured within 2 business days from the date of Plus 8's written notice to the Customer of such breach.

8.2 Remedies. In the event of a Default, Plus 8 may: (a) demand immediate payment of all accrued and unpaid Rental Fees and any other amounts due and the Customer shall pay such amounts immediately upon such demand; (b) immediately terminate the Customer's right of possession and use of the Equipment and the Customer shall immediately return the Equipment to Plus 8, or Plus 8 may, at the Customer's expense, enter into any premises where the Equipment may be located and repossess the Equipment. In addition, Plus 8 may pursue any other remedy available to Plus 8 at law or in equity, and each such right and remedy may be enforced concurrently with any other right or remedy.

9 . GENERAL

9.1. Relationship of the Parties. Nothing contained in these Conditions of Business shall be construed to create a partnership between, or joint venture by, the parties, or to constitute either party the agent of the other party. The agreement between Plus 8 and the Customer is not for the benefit of any third party (except indemnitees or insureds under Sections 5 and 7) and shall not be deemed to give any right or remedy to any such party whether identified in these Conditions of Business or not.

9.2. Severability. If any provision of these Conditions of Business is illegal, void or unenforceable, such provision shall be severable, and shall not affect any other provision of these Conditions of Business, and shall be deemed to be modified to the minimum extent necessary to avoid the illegality.

9.3. Successors and Assigns. These Conditions of Business shall be binding upon each party and its respective parent companies, affiliate companies, subsidiary companies, successors and assigns, however, the Customer may not assign its rights without prior written consent by Plus 8.

9.4. Attorneys' Fees and Costs: Choice of Law and Jurisdiction. The prevailing party in any suit, legal proceeding, arbitration or other action brought arising in connection with these Conditions of Business shall be entitled to recover its reasonable outside attorneys' fees and other expenses incurred in such proceeding or action, in addition to any other relief to which it may be entitled. These Conditions of Business shall be governed by, interpreted under, construed and enforced in accordance with the internal laws of the State of California and subject to the exclusive jurisdiction of the state and federal courts located in California.

9.5 Compliance with Laws. The Customer will, at all times, comply with all applicable laws, rules and regulations relating to the use, shipping, handling or transport of the Equipment including, but not limited to all environmental, occupational health and safety or other such laws, rules and regulations.

9.6 Waiver. Any failure by Plus 8 to insist upon strict performance by the Customer of any terms or conditions contained in this agreement shall not be taken to be a waiver thereof and no waiver by Plus 8 or one breach of any term or condition in this agreement, whether express or implied, shall operate as a waiver of another breach of the same or of any other terms or conditions in this agreement whether expressed or implied.

9.7. Notices. All notices under or in connection with these Conditions of Business shall be sent to the designated recipient at the respective address indicated (a) in the case of the Customer, in their account information, and (b) in the case of Plus 8, at the address shown on the Delivery Receipt or invoice, to the attention of the General Manager. All notices shall be in writing and shall be sent by prepaid mail, by reputable overnight courier service, or by facsimile with a hard copy via prepaid mail.

I CERTIFY THAT I AM AUTHORISED TO BIND THE CUSTOMER TO THE CONDITIONS OF BUSINESS AS DETAILED ABOVE.

BY AUTHORIZED SIGNATORY:

Signed: _____

Name: _____

Company: _____

Position: _____ **Date:** _____