

THE HIRER'S ATTENTION IS DRAWN IN PARTICULAR TO THE PROVISIONS OF CONDITION 11.

1. INTERPRETATION

1.1 The following definitions and rules of interpretation apply to these conditions:

Agreement: this agreement for the hire of the Equipment, which includes the Schedule.

Company: VideoBooth Systems Limited whose registered office is at Bentley House, The Green, Great Bentley, Essex, CO7 8PJ, with company registration number 05411424.

Equipment: the equipment or other items described in the Schedule, including any or any part of them and all additions and accessories to and replacements and renewals of that equipment or those items made on, before or after the date of this Agreement.

Hire: the person, firm or company so described in the Schedule.

Schedule: the schedule overleaf which forms part of this Agreement.

1.2 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.3 Words in the singular include the plural and vice versa.

1.4 A reference to one gender includes a reference to the other gender.

1.5 Condition headings do not affect the interpretation of these conditions.

2. APPLICATION OF TERMS

2.1 Subject to any variation under condition 2.3 the Agreement shall be on these conditions to the exclusion of all other terms and conditions (including any terms or conditions which the Hirer purports to apply orally or under any specification or other document).

2.2 No terms or conditions endorsed on, delivered with or contained in the Hirer's specification or any other document shall form part of the Agreement simply as a result of such document being referred to in the Agreement.

2.3 These conditions apply to all the Company's hirings and any variation to these conditions and any representations about the Equipment shall have no effect unless expressly agreed in writing and signed by an officer of the Company. The Hirer acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of the Company which is not set out in the Agreement. Nothing in this condition shall exclude or limit the Company's liability for fraudulent misrepresentation.

3. HIRE

3.1 The Company hereby hires the Equipment to the Hirer upon and subject to these conditions.

3.2 The Equipment will be hired for the Hire Period (beginning on the Delivery Date and ending on the Collection Date) specified in the Schedule (subject always to condition 12).

3.3 All transport, setting up and operating costs arising after the Equipment has been delivered or made available for collection will be borne solely by the Hirer.

3.4 The Company will use its reasonable endeavours to deliver the Equipment or, as the case may be, make it available for collection by or for the Hirer at the place and on the Delivery Date specified in the Schedule, but will not incur any liability whatsoever in the event of any delay.

3.5 The risk of any loss, theft or destruction of or damage to the Equipment will pass to the Hirer when the Equipment is delivered to or collected by or on behalf of the Hirer and will remain with the Hirer until the Equipment is delivered up to the Company in accordance with this Agreement.

3.6 The Company as owner of the Equipment reserves the right to alter the specification, colour or any other aspect of the Equipment at its sole discretion, whether before or after the date of this Agreement.

4. PAYMENTS

4.1 The Hirer shall pay to the Company in advance during the term of this Agreement the Rentals specified in the Schedule (together with Value Added Tax thereon at the applicable rate ("VAT")), the first such Rental payment to be made on the date of this Agreement and subsequent payments to be made at the consecutive intervals specified in the Schedule without prior demand by the Company.

4.2 If all or any of the Equipment is not delivered up to the Company on the expiry of the Hire Period specified in the Schedule or the termination of this Agreement (whichever is the earlier), then without prejudice to the Company's other rights and at its request the Hirer will pay to the Company as recompense for the continued use of that Equipment an amount equal to the rental payable under this Agreement in respect of the Equipment concerned, apportioned on a pro rata basis, for each day that the Hirer is in default in delivering up the Equipment. This condition will not give the Hirer any right to the continued use or possession of the Equipment.

4.3 The Company will render a VAT invoice in respect of Rental payments made by the Hirer within 14 days of receipt of the relevant payment. All Rental payments shall be paid to the Company at its premises specified in the Schedule or at such other address as the Company may from time to time specify, and any payments made by post shall be at the risk of the Hirer.

4.4 Payment of Rentals will be due without previous demand or invoice and must be made so as to be received by the Company in cleared funds on their due date. Time will be of the essence in respect of the payment of all sums due under the Agreement.

4.5 Any payments made by the Hirer to the Company may be appropriated by the Company in or towards satisfaction of any sums due or owing to the Company under this Agreement notwithstanding that the Hirer may have purposed to appropriate such payments in some other way.

4.6 If the parties agree in writing that further equipment shall be hired to the Hirer under the terms of this Agreement such equipment shall be added to the list of Equipment specified in the Schedule and the Rentals payable under condition 4 will be varied as may be agreed in writing between the parties.

5. HIRER'S COVENANTS

5.1 The Hirer agrees with the Company that during the term of this Agreement and, if this Agreement shall expire or be terminated for any reason, until the Equipment is delivered up to the Company in accordance with the terms of this Agreement, it shall:

5.1.1 pay without demand all Rentals and all other sums payable by it under this Agreement together with VAT thereon on or before the due date for payment and pay interest on overdue Rentals and other payments (or the balance for the time being outstanding) at the rate of 4% above the base rate from time to time of Barclays Bank plc until payment in full to the Company in cleared funds, such interest to accrue on a daily basis and to be payable both before and after any judgment;

5.1.2 keep and maintain the Equipment and all parts thereof in good order, repair and condition (fair wear and tear only excepted) and not cause or permit any of the Equipment to be damaged or damaged in any way;

5.1.3 not without the Company's prior written consent cause or permit any repair, maintenance, servicing, alteration, addition or modification to be carried out or made in respect of any of the Equipment or any part of or component in any of the Equipment or any adjustment to be made to the operation of the Equipment, except through proper use of the Equipment in accordance with the instructions provided with the Equipment or by the Company;

5.1.4 be responsible for the loss, theft or destruction of or for any damage to the Equipment occasioned in any manner or by any cause whatsoever whether by the Hirer or any third party whilst the Equipment is at the Hirer's risk (other than as a direct result of fair wear and tear or any act of the Company) and shall fully and effectually indemnify the Company in respect of all claims, proceedings, costs, expenses, loss, damage and liabilities incurred by the Company arising directly or indirectly from any such loss, theft, destruction or damage;

5.1.5 ensure that the Equipment is operated at all times safely, in a skillful and proper manner, with all due care, for the purpose for which it was designed, and in accordance with the instructions and recommendations accompanying the Equipment or provided by the Company and by persons who are competent to operate the same;

5.1.6 keep the Equipment at all times in the possession and control of the Hirer at the Venue specified in the Schedule;

5.1.7 punctually pay and discharge all rents, rates, taxes, charges and outgoings payable in respect of any premises in which the Equipment may for the time being be kept or placed and on demand produce to the Company the last receipts therefor;

5.1.8 notify the Company of any change in the Hirer's address and at the Company's request promptly inform it of the whereabouts of the Equipment;

5.1.9 procure that the Company and/or any person authorised by the Company shall be allowed at all reasonable times to enter any premises or place in which the Equipment is for the time being situated, for the purpose of inspecting and examining the condition of the Equipment or repairing, servicing, maintaining or replacing it;

5.1.10 obtain and comply with all necessary licences and permissions for the use of the Equipment and not use the Equipment or cause or permit it to be used contrary to law or any regulation or bye-laws and ensure that the Equipment is used exclusively for the lawful purposes of the Hirer's business;

5.1.11 in the event of any default by the Hirer under the terms of this Agreement pay to the Company on demand on a full indemnity basis all costs, expenses, (including all legal, storage and other charges and expenses), loss, damage and liabilities incurred by or on behalf of the Company in ascertaining the whereabouts of the Hirer and/or of the Equipment or of preserving, storing, insuring or taking possession of the Equipment and of any legal proceedings by the Company to enforce the provisions of this Agreement;

5.1.12 keep the Equipment free from any lien and any distress, execution or other legal process and not let, lend, sell, assign, transfer, charge, encumber, dispose of or otherwise deal with or part with the possession or control of the Equipment or purport to do so;

5.1.13 not assign, transfer, charge, let or sub-let or otherwise deal with all or any of the Hirer's rights or obligations under or in relation to this Agreement;

5.1.14 ensure that insofar as the Equipment is affixed to any land or buildings such Equipment shall be capable of being removed without material injury to the said land or building and take such steps as may be necessary to ensure that title to the Equipment shall not pass to the owner or lessor of any such land or building or any third party;

5.1.15 procure that no plates, identification or trade marks, labels or signs or on or fixed to the Equipment (including any stating that the Company is the owner of the Equipment) are removed, altered, obliterated or defaced and not do or erect any painting, lettering or advertisement to or on the Equipment;

5.1.16 fully and effectually indemnify the Company against all claims, proceedings, costs, expenses, loss, damage and liabilities made against or incurred by the Company by reason of or in connection with any loss, death, injury or damage (other than death or personal injury occasioned by the negligence of the Company (as defined in section 1 of the Unfair Contract Terms Act 1977)) suffered by any person arising from the presence and/or use of the Equipment whilst it is at the Hirer's risk and/or any act neglect or omission of the Hirer, its employees or agents.

6. INSURANCE

6.1 The Hirer shall at its cost insure the Equipment with effect from the Delivery Date and keep it insured for as long as it is at the Hirer's risk for not less than the agreed replacement value of the Equipment (as determined from time to time by the Company and shown in the Schedule) with such persons and under such a form of policy against loss or destruction or damage by accident, fire, theft and other risks usually covered by insurance in the type of business for which the Equipment is for the time being used (and such other or additional risks as the Company may from time to time require) as may be approved by the Company. Such policy shall be either in the joint names of the Hirer and the Company or be endorsed with a memorandum of the Company's interest in the Equipment as the insurer may determine and shall provide that no excess or deduction shall apply in respect of any claim made under it and that no payment will be made to the Hirer under the policy until the Company's interest under the policy has been fully discharged.

6.2 The Hirer shall punctually pay all premiums payable under the said policy, produce the receipt for such payments to the Company on demand and do everything necessary to maintain the said policy in full force and effect and not do anything whereby the policy would be vitiated.

6.3 The policy together with the receipts for the premiums payable thereunder shall if so required by the Company during the continuance of this Agreement be delivered to and retained by the Company. If the Hirer shall default in effecting such insurance or paying any premium in respect of it, then without prejudice to its other rights, the Company may effect and maintain such insurance itself and pay all premiums payable under it or, as the case may be, pay the premiums which the Hirer has not paid, in which event the Hirer will repay all such premiums to the Company on demand. The Hirer will not use or cause or allow the Equipment to be used for any purpose not permitted by the terms and conditions of any insurance effected pursuant to this condition or otherwise do or cause or allow to be done anything whereby any such insurance might be invalidated.

6.4 The Hirer hereby irrevocably appoints the Company its agent for the purposes of negotiating with the insurers and receiving all monies which may become payable under any policy or policies covering the Equipment and for the purposes of instituting proceedings for the recovery of such monies and giving a full and final discharge to the insurers on payment of such monies.

6.5 If any of the Equipment is lost, stolen, destroyed or damaged the Hirer will immediately notify the Company thereof and at the Company's request provide full particulars of the circumstances in which the Equipment was lost, stolen, destroyed or damaged to the extent that they are known to the Hirer.

6.6 If the Equipment is damaged during the continuance of this Agreement and in the opinion of the insurers it is economic that such damage be made good all such insurance monies payable under the insurance policy effected pursuant to this condition shall be applied in making good the said damage.

6.7 If any of the Equipment is lost, stolen, destroyed or damaged to such an extent as to be in the opinion of the insurers incapable of economic repair then on the date on which the Equipment concerned is deemed to be lost, stolen, destroyed or damaged the same shall, if it continues in full force and effect in respect of the other Equipment) and the insurance monies payable under such policy shall at the option of the Company -

6.7.1 be applied so far as possible in replacing the Equipment concerned with Equipment of similar type and quality in which event the new equipment shall be let to the Hirer under the terms of this Agreement; or

6.7.2 be paid to the Company or to towards discharging the Hirer's liability to the Company at the date of such payment in relation to and compensating the Company for the loss, theft or destruction of or damage to the Equipment concerned, any surplus being paid to the

Company, but if the insurance monies paid to the Company and applied under this paragraph are insufficient to discharge the Hirer's liability and to compensate the Company as aforesaid, then the amount of the deficiency shall forthwith be paid by the Hirer to the Company.

6.8 Except as stated in condition 6.7 the loss, theft or destruction of or damage to the Equipment will not affect the continuance of this Agreement or the Hirer's liability for payment of Rentals.

7. THE EQUIPMENT

7.1 The Hirer agrees that:

7.1.1 no condition, warranty, representation or stipulation of any kind has been made by or on behalf of the Company in respect of the Equipment or any material recorded by use of the Equipment; and

7.1.2 the Hirer has been invited to inspect and test the Equipment prior to the signing of this Agreement and to make all other relevant enquiries concerning it and the Hirer will be deemed to have satisfied itself as to the condition, quality, description and all other aspects of the Equipment; and

7.1.3 all warranties, conditions, representations and stipulations express or implied statutory or otherwise relating to the condition of the Equipment or any material recorded by use of the Equipment or its quality or suitability or fitness for the particular or any purpose for which it is or may be required or its compliance with any description or sample (except for any given fraudulently) are hereby excluded to the fullest extent permitted by law; and

7.1.4 the Hirer will not be entitled to any reduction of Rentals in respect of any period during which the Equipment for any reason whatsoever is unserviceable or out of order or unusable (except to the extent that the situation arises from any breach of this Agreement by the Company) and for any period when the Equipment cannot be used because it is being maintained or serviced by the Company under condition 7.2, and the Company will not be obliged to supply any replacement Equipment in any circumstances nor be liable for any loss, liability or damage of any description whatsoever (including without limitation loss of profits or business or any liability to any third party or any indirect or consequential loss or damage) suffered by the Hirer as a result of the Equipment being unusable, out of order or unserviceable; and

7.1.5 the Company will not under any circumstances accept any liability whatsoever in relation to any material recorded by using the Equipment, including (but without limitation) any liability for the quality, content, or amount of material so recorded. The Hirer accepts full responsibility for the material in question; and

7.1.6 it accepts as reasonable the exclusions from liability contained in this condition 7.1.

7.2 All servicing and maintenance of the Equipment due to fair wear and tear will be carried out by or for the Company at its expense. The Hirer will immediately notify the Company of any fault in the Equipment or any failure to operate properly and provide the Company with such information concerning the fault or failure as it reasonably requests. Any repair or replacement of the Equipment or any part of it arising from the damage to the Equipment for which the Hirer is responsible under these conditions will be carried out by or for the Company at the Hirer's cost and the Hirer will on demand indemnify the Company in respect of all costs, charges and expenses it incurs in relation to any such repair or replacement. The Hirer will promptly deliver the Equipment to such place as the Company stipulates or make it available to the Company for collection to enable any such servicing, maintenance, repair or replacement to be effected.

8. DEPRECIATION

8.1 The burden of depreciation resulting from fair wear and tear of the Equipment will fall upon and the right to claim all relief from taxation and capital allowances in respect of the Equipment or any investment grant or other similar grant or relief will vest in the Company, and the Hirer undertakes not to claim any such relief, allowance or grant.

9. OWNERSHIP

9.1 The Equipment will remain the property of the Company and the Hirer will have no right or interest in it other than as the hirer of it under this Agreement.

9.2 All rights (including without limitation copyright and related rights and all other intellectual property rights) in relation to the material recorded using the Equipment (whether arising under contract, by operation of law or otherwise) are owned by the Company and the Company fully reserves its rights in respect of such material.

10. HIRER'S ACKNOWLEDGEMENT AND WARRANTY

10.1 The Hirer agrees that each of its obligations and covenants under this Agreement will for all purposes be fundamental conditions of this Agreement and that time shall be of the essence in respect of any payment due from the Hirer in relation to this Agreement to the extent that the Hirer fails to pay any rental or other sum payable under this Agreement on the due date or any other event specified in condition 12.1 hereof shall occur, the Company will be entitled to treat such failure or breach as a repudiation of this Agreement by the Hirer.

10.2 The Hirer warrants to the Company that in hiring the Equipment it is not dealing as a consumer (as defined in the Unfair Contract Terms Act 1977).

11. LIABILITY

11.1 The Company shall not be liable for any loss or damage arising from any cause beyond its reasonable control.

11.2 The Company shall not be liable to the Hirer or any third party for any indirect or consequential loss of profit, consequential or other economic loss suffered by the Hirer howsoever caused, as a result of any negligence, breach of contract, misrepresentation or otherwise.

11.3 The liability of the Company with respect to any claims arising out of the hire shall be limited to replacement of the Equipment with similar Equipment or at the Company's option termination of this Agreement and restitution of the amount of any Rentals paid with respect to any period for which the Equipment was inoperable.

11.4 Nothing in these conditions shall exclude or limit the liability of the Company for death or personal injury caused as a result of the Company's negligence, breach of contract or otherwise.

12. TERMINATION

12.1 If the Hirer shall during the term of this Agreement:

12.1.1 fail to pay any Rental on the due date (whether or not any previous demand for payment has been made by the Company) or to pay on the due date any other sum payable by it under or in relation to this Agreement; or

12.1.2 make any arrangement or composition with its creditors generally or (being an individual) has an interim order (within the meaning of the Insolvency Act 1986) or any other order under any legislation relating to bankruptcy or insolvency or their equivalent made against him or becomes bankrupt or its equivalent or (being a firm or body corporate or unincorporated) enters into compulsory or voluntary liquidation or the equivalent or shall be dissolved or have a receiver and/or manager, administrative receiver, supervisor or administrator or any other person having similar powers or function appointed over it or any part of its assets or undertaking or if any distress or execution shall be levied or threatened upon the Equipment or any part of the Hirer's property or if any judgment against the Hirer shall remain unsatisfied for more than 7 days of the Hirer shall abandon the Equipment or cease or threaten to cease carrying on business or shall be unable to pay its debts within the meaning of sections 123 or 268 of the Insolvency Act 1986; or

12.1.3 fail to observe or perform any of the terms or conditions of this Agreement (express or implied) or commit or suffer to be committed any breach whatsoever of this Agreement,

then in each and every such case the Hirer will be deemed to have repudiated this Agreement and the Company may on the occurrence of any such event or at any time within 3 months of the Company becoming aware of it accept that repudiation and by written notice to the Hirer terminate this Agreement forthwith together with the hiring constituted by it.

12.2 The expiry or termination of this Agreement howsoever arising will be without prejudice to the rights of either party accrued up to the date of expiry or termination.

12.3 Where this Agreement is terminated or comes to an end pursuant to this condition 12 and the Company suffers loss as a result of being unable to re-let the Equipment at a rental as much as that payable under this Agreement for the whole period between the date of such termination or coming to an end and the date on which this Agreement would have expired by effluxion of time if it had not been so terminated or come to an end, then the Company shall be entitled to recover the amount of such loss from the Hirer without prejudice to its other rights and remedies and the Hirer shall pay the amount of such loss to the Company on demand.

12.4 On the expiry or earlier termination of this Agreement the Hirer shall if required by the Company at the Hirer's own risk and cost deliver up the Equipment to the Company at the Company's premises specified in the Schedule or at such other address as the Company may specify or if not so required shall hold the Equipment available for collection by the Company or its agents and the Company or its agents may without notice re-take possession of the Equipment and are hereby irrevocably authorised for that purpose to enter upon any land or buildings of the Hirer or on or in which the Equipment is or is believed by the Company or its agents to be situated and if any of the Equipment is affixed to such land or buildings the Company or its agents shall be entitled to sever the Equipment therefrom and to remove the Equipment and the Hirer shall be responsible for all damage caused to the land or buildings by such removal. The Hirer shall notify the Company immediately in writing if it sends the Equipment for return to the Company.

13. ASSIGNMENT

13.1 The Company may assign the Agreement or any part of it to any person, firm or company.

13.2 The Hirer shall not be entitled to assign the Agreement or any part of it without the prior written consent of the Company.

14. FORCE MAJEURE

14.1 The Company reserves the right to defer the Delivery Date or to cancel the Agreement (without liability to the Hirer) if it is prevented from or delayed in the carrying on of its business due to circumstances beyond or beyond the reasonable control of the Company including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-out, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability of delay in obtaining supplies of adequate or suitable materials, provided that, if the event in question continues for a continuous period in excess of 90 days, the Hirer shall be entitled to give notice in writing to the Company to terminate the Contract.

15. GENERAL

15.1 Each right or remedy of the Company under the Agreement is without prejudice to any other right or remedy of the Company whether under the Agreement or not.

15.2 If any provision of the Agreement is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness be deemed severable and the remaining provisions of the Agreement and the remainder of such provision shall continue in full force and effect.

15.3 Failure or delay by the Company in enforcing or partially enforcing any provision of the Agreement shall not be construed as a waiver of any of its rights under the Agreement.

15.4 Any waiver by the Company of any breach of, or any default under, any provision of the Agreement by the Hirer shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Agreement.

15.5 The parties to the Agreement do not intend that any term of the Agreement shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.

15.6 The formation, existence, construction, performance, validity and all aspects of the Agreement shall be governed by English law and the parties submit to the exclusive jurisdiction of the English courts.

16. COMMUNICATIONS

16.1 All communications between the parties about the Agreement shall be in writing and delivered by hand or sent by pre-paid first class post or sent by fax:

16.1.1 (in the case of communications to the Company) to its registered office or such changed address as shall be notified to the Hirer by the Company; or

16.1.2 (in the case of the communications to the Hirer) to the registered office of the addressee (if it is a company) or (in any other case) to any address of the Hirer set out in any document which forms part of the Agreement or such other address as shall be notified to the Company by the Hirer.

16.2 Communications shall be deemed to have been received:

16.2.1 if sent by pre-paid first class post, two days (excluding Saturdays, Sundays and bank and public holidays) after posting (exclusive of the day of posting); or

16.2.2 if delivered by hand, on the day of delivery; or

16.2.3 if sent by fax on a working day prior to 4.00 pm, at the time of transmission and otherwise on the next working day.