

1. **PRICES:** Prices to be charged for use of all facilities (hereinafter "services") shall be in accordance with the rate card of NT AUDIO VIDEO FILM LABS (hereinafter "NT AUDIO") which is incorporated herein as though fully set forth. Client hereby accepts the standard prices stated in the rate card for all services and shall in addition pay all applicable sales, use, manufacturing, excise or other similar taxes or governmental charges. Unless otherwise specified in writing, the standard prices for services listed on the rate card assumes that the audio and visual tapes, property and products, art work, reproductions, film, elements and other materials (hereinafter "elements") submitted to NT AUDIO shall be suitable for use by methods employed by NT AUDIO in its customary commercial operations. In addition, the published prices of the rate card are solely for work deemed by NT AUDIO in its sole discretion to be a standard process of products. Prices for any other type of processing or products shall be quoted upon request. Transportation of all materials to and from NT AUDIO shall be at Client's risk and expense.

2. **TERMS OF PAYMENT:** Client agrees to pay NT AUDIO according to the terms listed on each invoice. If payment is not made when due, client agrees to pay interest at a rate of one and one-half per cent (1 1/2%) per month. Any claims for adjustments in connection with any invoice must be presented to NT AUDIO in writing within ten (10) days from the date of invoice. Client hereby waives any claim for adjustment, which is not timely presented according to the provisions of this paragraph. In any actions to enforce the provisions of these terms and conditions, the prevailing party shall be entitled to recover costs and reasonable attorney's fees.

3. **CLIENT INDEMNIFICATIONS:** Client shall defend, indemnify, and hold harmless NT AUDIO, its owners, directors, officers, employees, and agents, from all losses, costs, expenses, damages, obligations, liabilities, demands, claims, actions, lost profits, or any special, incidental, indirect, punitive, consequential, or any other type of damages or destruction whatsoever (collectively "Claim") based, arising out of or in connection with (i) allegations of infringement or violation of any third party's intellectual property rights, including but not limited to patent, copyright, and trademark rights arising out of the services provided by NT AUDIO under this Agreement or (ii) the publication, processing, use, distribution, content, or exhibition of elements delivered to it by or on behalf of the Client, including without limitation, for claims based upon liable, slander, defamation, invasion of privacy. NT AUDIO shall give client written notice of any such Claim as soon as practicable after it receives notice thereof; provided, however, NT AUDIO's failure to give such Notice (in a timely manner or at all) shall not create any separate Claim against NT AUDIO, unless such failure materially prejudices NT AUDIO's rights and liabilities with respect to such Claim.

4. **RETURN OF CLIENT'S MATERIAL:** Upon receipt of a written request by Client and after all outstanding amounts due NT AUDIO have been paid, NT AUDIO is hereby authorized to send all elements to Client at Client's expense. After Client's elements have been retained for ninety (90) days from Client's last work date, NT AUDIO may, at its sole option, return Client's elements at the Client's expense, charge a customary storage fee for each day thereafter that the elements remained unredeemed, and/or advise the Client that his elements will be disposed of without any liability on the part of NT AUDIO if not redeemed within sixty (60) days of written notice thereof to Client's last address on file with NT AUDIO.

5. **LIMIT OF LIABILITY:** NT AUDIO shall not be liable for any Claim resulting from any services rendered by NT AUDIO or defective equipment provided by NT AUDIO whether or not such Damages are caused by the actions, inactions or negligence of NT AUDIO, its officers, directors, shareholders employees, agents or sub-contractors (collectively "Representatives"), or result from any negligence or breach in duty, contractual or otherwise, by NT AUDIO or its Representatives, including, but, not limited to, improper storage or processing of elements. The extent of NT AUDIO's liability will be limited to the replacement of similar quality raw material which had been lost or damaged by NT AUDIO or its Representatives. NT AUDIO gives no warranty, express or implied as to merchantability, fitness for a particular purpose, or quality of services and equipment provided by NT AUDIO. It is understood and agreed that NT AUDIO is not an insurer and that the payments made for the services and equipment by NT AUDIO are based solely on the value of such services. In no event, and under no circumstances shall NT AUDIO be liable for any Damages because of any delays due to the elements, equipment failure, acts of God, acts of Client or the alleged negligence of NT AUDIO or its Representatives. If any action is filed by a third party for a delay in producing said material caused by the foregoing, Client hereby agrees to indemnify, defend and hold harmless NT AUDIO from any and all suits, claims, demands and other liabilities.

6. **WARRANTIES BY OWNER:** Client warrants that it is the sole owner and/or has the right to possession and use of all elements delivered to NT AUDIO by Client or his agent. Client acknowledges its sole financial responsibility for timely payment in full for services rendered by NT AUDIO to it regardless of Client's arrangements, contracts or understandings with third parties.

7. **LIENS:** Client hereby grants NT AUDIO a lien on all elements delivered by Client to NT AUDIO and on all elements made by NT AUDIO there from for the balance of the account due to NT AUDIO. If any such balance shall be unpaid for a period of ninety (90) days after it becomes due in accordance with the terms of this agreement, NT AUDIO may upon five (5) days written notice to Client, which specifies the amount due and informing Client that the payment of the amount due within five (5) days will entitle NT AUDIO to redeem elements, sell the elements at a public or private sale, to satisfy the account. The proceeds of the sale, after paying the expense thereof, shall be applied to liquidate the indebtedness secured by the lien, including all storage charges to date, and the balance, if any, shall be paid over to the Client. If the proceeds of this sale are insufficient to pay the expenses of the sale and the aforesaid indebtedness and accrued charges, Client shall pay the difference to NT AUDIO. Client acknowledges and hereby agrees that no civil action will be filed against NT AUDIO for exercising its rights pursuant to the forgoing. Further, Client hereby agrees to indemnify, defend and hold harmless NT AUDIO for any delays that are caused by NT AUDIO's enforcement of their lien.

8. **CHOICE OF LAW; JURISDICTION AND VENUE:** This agreement shall be governed by and construed in accordance with the laws of the State of California. Any action based upon this work order shall be brought exclusively in the appropriate court of the State of California, County of Los Angeles.

9. **SOLE AGREEMENT AND AMENDMENTS:** The terms and conditions and agreements, understandings and arrangements, contained herein supersede any prior terms and conditions and agreements (except any separate security agreement), understandings and arrangements between the parties hereto with respect to the subject matter hereof; including but not limited to any terms and conditions contained in a prior purchase order between NT AUDIO and the Client. These terms and conditions shall remain in full force and effect and may not be modified or amended except in an writing executed by the parties or as expressly set forth in a subsequent purchase order between the Client to NT AUDIO.

10. **RESPONSIBILITY FOR CLIENT'S PROPERTY: LIMITED LIABILITY:** The Client acknowledges and agrees that except as expressly set forth below, the delivery to, and use and storage by NT AUDIO of any physical elements from the Client are entirely at Client's risk. NT AUDIO shall NOT be liable for any Damages relating to the loss, damage or destruction thereof, except solely for any Damages caused by the misfeasance or gross negligence of NT AUDIO personnel acting within the scope of their authority. In such event NT AUDIO's liability shall be limited to the replacement value of the physical property (not the intellectual property, if any, contained therein). In no event shall NT AUDIO's total Damages for any reason whatsoever exceed the value of the goods furnished and services rendered by NT AUDIO and its suppliers. Services performed by NT AUDIO without appropriate Client supervision/representation will be accepted at Client's risk with regard to quality of technical, aesthetic, or creative decisions made by NT AUDIO. NT AUDIO makes no warranties whatsoever and assumes no responsibility with respect to the character or quality of any element of the Client's project.

11. **SEVERABILITY:** The invalidity or unenforceability of any one or more terms or conditions shall not affect the validity or enforceability of the remaining terms or conditions.