

Terms of Business for Equipment Rental and Other Services

1. Introduction

- a) The following Terms of Business are a constituent part of all our offers and any contracts executed with us, now and in future.
- b) Our express consent in writing shall be required for any deviating terms, especially those agreed upon by our staff. We expressly reject any conflicting terms of business of a contractual party.
- c) Our contracts shall be non-binding, unless expressly confirmed by us. The contract shall become effective only after we issue a contract confirmation or deliver the goods ordered.

2. Purpose of Contract

A contract is for the rental of the individual pieces of equipment stated in our order confirmation. We reserve the right to substitute the equipment listed with functionally equivalent ones. We also render additional contractual services, such as providing guidance, devising a program and its content, installing pieces of equipment, assembling complete systems, and project assistance. These services shall be governed by the following terms of rental.

3. Obligations of Contractual Party

The contractual party shall ensure that persons are not injured or harmed through the use of our equipment. The event organizer shall comply with the noise regulations at the event venue, by measuring and recording the sound generated and preventing these from exceeding the allowed thresholds.

The event organizer shall also adhere to the local regulations for gatherings, and obtain all necessary permits and certifications from the authorities and GEMA. Furthermore, the contractual party shall ensure that the equipment we supply is guarded properly by the event organizer.

4. Rental Term and Fees, Deadlines, Force Majeure

- a) The rental term shall be as specified in the respective contract, failing which the term shall commence upon delivery of the equipment to the event venue.
- b) The rental fee shall be as stated in the contract, failing which the equipment shall be rented at the normally applicable rates.
- c) In the event we are unable to deliver the equipment on time, the Renter shall grant us a reasonable extension.
- d) We shall not be held liable for the scope or consequences of circumstances beyond our reasonable control that make it uneconomic for us or our suppliers to fulfill our respective contractual obligations for the foreseeable future, especially from events such as wars, strikes, industrial lockouts, shortages of raw materials or power, or traffic delays.

5. Shipment, Packaging, Transportation Risk

- a) The rental equipment shall be shipped only in standard packaging.
- b) The contractual party shall carry the risk of transportation for self-shipment of the goods, whereby we shall be compensated for any damage that occurs during transportation.

6. Insurance

- a) Upon request, we shall take out an insurance policy, to be surcharged at 6% of the weekly rental fee.
- b) This policy shall cover transportation damage, theft at the event venue, or equipment damage or destruction caused by the Renter, and the contractual party's liability against the audience and staff.

7. Rental Fee Payment

- a) The rental fee shall be payable in full immediately upon receipt of the invoice, or in monthly installments in advance, as stated in the rental contract.
- b) We shall not be obligated to accept checks or bills of exchange, which shall nevertheless be subject to clearance.
- c) If the Renter defaults on an outstanding payment, we shall be entitled to a late interest charge of eight (8) percentage points above the base rate, notwithstanding any further claims.
- d) Our prior consent shall be required for the Renter to offset any counterclaims against our receivables or to refuse contract fulfillment or to obtain a lien on the goods, unless such actions are unchallenged or legally enforced.

If the Renter is also the user, our consent shall be required for refusing contract fulfillment or obtaining a lien on the goods, only if the Renter exercises rights that are unrelated to this contractual relationship.
- e) We may demand collateral to cover outstanding receivables or rescind payment targets, in the event reasonable grounds exist to doubt the solvency of the Renter, especially if the Renter is in default.

8. Warranty, Damage Claims

- a) In the event claims of defective merchandise are justified, we shall at our discretion either remedy the defect or replace the equipment with functioning units.
- b) The Renter shall reimburse all expenses we incur to carry out any inspection/testing at the request of the Renter, if the equipment is found to be free of defects.
- c) The warranty covering defects shall become void if the Renter works on or modifies the rental equipment.

d) The Renter shall not be entitled to no-fault claims. We shall not be liable for negligent breach of our contractual or legal duty, unless the damages involve endangerment to life, bodily injury, or health. Pursuant to §2, this provision shall cover not only claims by the Renter in connection with the rental services rendered but also those in connection with other services provided by Eventronic, such as the installation of pieces of equipment or assembly of complete systems.

9. Use and Maintenance of Rental Equipment

- a) The Renter shall operate the equipment with due care and observe the operating instructions and service manuals supplied. The Renter shall pay for and replace any equipment bulbs that burn out during the rental term.
- b) The serial number, manufacturer's number, or other labels on the rental equipment shall not be removed, covered, or defaced in any manner.
- c) The Renter shall require our prior written consent to make modifications, additions, etc. to the rental equipment.
- d) The Renter shall be liable to us for any damage caused by improper use of the rental equipment.

10. Destruction or Theft of Rental Equipment

- a) The Renter shall during the rental term carry the risk of destruction, deterioration, and theft of the equipment. The Renter shall notify us in writing without delay of any such occurrences, whereby these shall not relieve the Renter of his contractual obligations, especially the rental fees.
- b) If the rental equipment is stolen upon delivery to the event venue, or if the Renter is responsible for damage to or deterioration of the equipment, the Renter shall at our discretion restore the equipment to the condition stipulated in the contract or replace it with one equivalent in value and assign it to us, or alternatively reimburse us for the value of the destroyed or deteriorated equipment, as applicable. If we choose to accept reimbursement, we shall seek to provide the Renter with equivalent equipment in order to continue the rental arrangement.
- c) The Renter hereby assigns to us any and all future insurance claim benefits paid out for loss or deterioration of the equipment, or damage to the equipment caused by the Renter.

11. Third Party Rights

- a) The Renter shall protect the rental equipment against execution of any third party rights, and shall notify us immediately in writing of any such claims and provide all relevant documents.
- b) The Renter shall bear the costs for defense against claims of third party rights.

12. Return of Rental Equipment

- a) Immediately upon expiration of the rental term, the Renter shall at his expense and risk return the rental equipment to us in proper condition.
- b) If the equipment is returned late, the Renter shall pay the rental fee for the duration of the delay, which shall not exceed the value of the equipment, subject to our right to claim other damages remaining in force.
- c) If the equipment is returned in a damaged condition, the Renter shall cover the losses we incur as a result, especially the contractual rental fee if the equipment has to be repaired.
- d) At our request, the Renter shall restore the equipment at his expense to its original condition.
- e) The Renter shall not be entitled to claim reimbursement for any costs incurred for any modification, installation, or dismantling, etc. undertaken by him.

13. Termination by Renter

The Renter may cancel the contract in writing up to three (3) days before commencement of the rental term. Cancellation shall require immediate payment of a fee amounting to 20% of the rental charge for cancellation up to 30 days before commencement of the rental term, 50% for cancellation up to ten (10) days before commencement of the rental term, or 80% for cancellation up to three (3) days before commencement of the rental term.

14. Place of Performance, Jurisdiction

- a) Simmerath shall be the place of performance and payment for obligations arising from or in connection with this agreement.
- b) If the Renter is acting in a commercial capacity, jurisdiction of disputes arising from or in connection with this agreement shall be in Monschau or Aachen or, at our discretion, at the place of business of the Renter.

15. Governing Law

This contract shall be construed in accordance with the laws of Germany.

16. Severability

If any provision herein is declared or becomes void, the remaining provisions shall continue in full force, whereby the parties shall replace the offending provision with one that best reflects the economic intent of the original provision.

Effective: November 11, 2006