

BARRANDOV
STUDIO A.S.

BUSINESS TERMS
AND CONDITIONS
FOR 2010

Barrandov Studio a.s.
Business Terms and Conditions

General Provisions

§1

- (1) These Business Terms and Conditions (hereinafter referred to as "Terms and Conditions") of Barrandov Studios a.s. (hereinafter referred to as the "Company") govern the standard business relationships between the Company and the tenant, ordering party, or any other contractual partner (hereinafter referred to as "Client"). In the event that any provisions negotiated in an individual contract differ from those of the Terms & Conditions, it is understood that the provisions of the contract shall take precedence.
- (2) The conclusion of any agreement, whether in writing, by word of mouth, through the receipt of equipment or facilities, the payment of fees, or through another inferable demonstration of will, shall be considered as the unconditional acceptance of these Terms and Conditions.
- (3) (3) The Client undertakes that, while providing any contractual fulfillment, he will not act in conflict with generally binding legal regulations. In the event that the Client's illegal behavior causes the Company to suffer damages, the Client shall pay the Company the full amount of compensation as calculated by the Company.
- (4) The Client is aware that the results of creative work completed by the Company's employees are protected by copyright laws.
- (5) Prices established by the Company are negotiable. Informational prices are specified in the Company's Price List.
- (6) The Company reserves the right to change, at any time and without prior notice, the prices and specifications published in the catalogue of rental equipment, facilities, and services, however any such changes will not impact any contract already valid and effective at that time.
- (7) The Company reserves the right to request the Client to provide evidence of solvency and other documentation relevant to the contractual relationship as well as a legal and or financial guarantee in the form of a security deposit. In the case of a Czech entity, the required documentation consists of an excerpt from the Commercial Register, Power of Attorney, Trade License, etc.
In the case of a foreign entity, the required documentation consists of comparable certificates and, if the Czech Republic does not have a legal assistance contract concluded with the foreign entity's domicile country, the documents must be superlegalized.

Ownership

§2

- (1) Rented items shall remain the property of the Company. The Client cannot transfer the rented item to a third person for use or profit without the prior written consent of the Company. Should the Client breach this obligation, the Company is entitled to discharge the contract and demand compensation for any damages that the Company suffers as the result of such behavior that was carried out without prior written consent.
- (2) Insurance agreements, pawning, retention, and any material or other encumbrances, whereby anyone whosoever would want to encumber the rented item, are inoperative against the Company. The Client shall compensate the Company for any damages suffered by the Company in relation to the unauthorized manipulation of the item(s) in question and any expenses outlaid by the Company in relation to the exercise of its rights.
- (3) During the enforcement of a court-ordered decision or collection order that would affect the rented item, the Client must make the Company's continuing ownership clear to the appropriate parties and organizations and advise the Company of the situation without delay by phone and subsequently in writing. Expenses incurred for the protection of ownership rights, as well as damages suffered by the lessor as a result of the item being removed from use, shall be borne by the Client in full.
- (4) The removal or covering up of the Company's signs and labels on rented items is forbidden. In the event that this obligation is breached, the Client shall pay the Company a contractual fine of CZK 50,000.00 for each individual occurrence.
- (5) If rented items, which are currently installed at a fixed location, are to be reinstalled at a new location or stored elsewhere by the Client, the Company's written consent must be obtained beforehand.
- (6) Film, recording tape, equipment, material, and other property belonging to the Client and left in the Company's possession shall be subject to right of lien for the purpose of securing any of the Client's outstanding debts towards the Company.

Authorized parties

§3

Only the chairman and the deputy chairman of the board jointly, or their representatives on the basis of written legal authorization, are entitled to conclude and sign contracts on behalf of the Company.

Contractual Relations upon the Rental of Equipment

§4

(1) Client's Rights and Obligations

- a) The Client shall, during the entire rental period, ensure that the rented equipment is used appropriately and professionally and in accordance with generally binding legal regulations.
- b) The Client shall take proper care of the equipment entrusted into his/her care and shall ensure that it is properly maintained, appropriately stored, and kept in a securely locked place when not in use. The Client shall allow the Company's representatives access to this equipment during working hours or at any other time agreed to in advance for the purpose of determining its condition.
- c) The Client shall obtain all necessary permits and approvals related to the use of the equipment or the provision of staff or services, and shall neither use this equipment nor allow its use in conflict with generally binding legal regulations valid at that time in the country of use or operation.
- d) The Client shall take any steps necessary so as to ensure that the equipment is handled and operated safely and without a health risk, in accordance with the legal regulations on health and safety in the workplace.
- e) At the end of the rental period, the Client shall return the rented item to the Company in the same condition in which it was received, with consideration being granted for normal wear and tear.
- f) In the event of the loss, theft, or damage of the rented item, the Client shall notify the Company immediately by telephone and within 3 days in writing. The Client agrees to reimburse the Company full compensation for any such damages within 30 days of the date on which they occur.
- g) When moving about the Company's premises, the Client and any persons working in cooperation with the Client shall be guided by any applicable traffic regulations and shall adhere to the operational rules in effect at the Company's premises.
- h) The Client understands that, in the spaces he/she rents from the Company, he/she will not create any works that support or promote fascism, communism or any other movements supporting racial, religious or other hatred, any works that are pornographic in nature, or any works that lower human dignity. In the event of a breach of this contractual provision, the Company has the right to demand payment of a contractual fine in the amount of CZK 1,000,000 for each individual breach of this provision.
- i) The Client is also aware that taking photographs is forbidden on all of the Company's premises. Only the Marketing Department can grant an exception to this rule.

(2) Company's Rights and Obligations

- The Company is authorized to perform any steps necessary for the

protection of its property, its name and its rights, if any of the following events occurs:

- a) a significant breach of the contractual obligations and these conditions;
- b) any breach of the rental conditions on the part of the Client;
- c) any deed or neglect on the part of the Client that might threaten the Company's rights in relation to the ownership or use of this equipment (including any attempt by the Client to sell, loan, transfer, or place lien rights against this equipment);
- d) if bankruptcy or equalization proceedings are brought against the Client, or if the Client enters into liquidation; or
- e) if the Client does not pay rent or any other amount calculated by the Company on the basis of contractual provisions within the given deadline from the delivery of an invoice or if the Client does not pay the amount due even within an alternate deadline as provided by the Company in a written notice.

Transport

§5

- (1) The Client shall pay all costs connected with the transport of the equipment. This provision applies to all cases, whether or not transport has already been ensured by the Company, by the Client, or by a third party.
- (2) Any transport of equipment abroad must first be approved by the Company in writing and the Client must obtain additional transport insurance for abroad in accordance with the Company's binding written instructions.
- (3) Customs clearance shall be arranged and ensured by the Client and any related costs shall be covered by the Client. The contract can provide that the Company shall arrange these matters at the Client's expense.

Force Majeure

§6

In the event of the unanticipated occurrence of demonstrable circumstances that are beyond the Company's control and prevent the Company from performing its obligations, the Company shall not guarantee the provisions set forth in the Barrandov Studio a.s. Business Terms and Conditions and all such circumstances shall be considered as force majeure events.

Terms of Payment

§7

- (1) Rental charges and fees for services shall be established on the basis of contractual negotiations with the Client.
- (2) When providing services or renting out equipment or facilities, the Company may demand a deposit or an advance payment.

- (3) If, through no fault of the Company, the Client withdraws from the contract, with the exception of a contract concluded for the rental of a soundstage, on the date that contractual Performance is to commence, the Company shall request payment of a cancellation fee in the amount of 100% of the agreed-on price. If withdrawal takes place within three days of the date that contractual Performance is to commence, the cancellation fee shall equal 75%; within seven days, the cancellation fee shall equal 50%; within twenty-one days, the cancellation fee shall equal 30%; and within thirty days, the cancellation fee shall equal 10% of the agreed price. The cancellation fee cannot however exceed the price for more than four weeks of contractual fulfillment.
- (4) In the case of a soundstage rental, the following cancellation conditions shall apply:
- a) If a Client withdraws from the rental contract for any reason prior to the end of the negotiated rental period or if the rental period is changed in any manner, the Client shall pay the rental amount for the entire negotiated rental period as specified in the rental contract;
 - b) If the Company is able to rent the soundstage to another client for the remaining part of the rental period as specified in paragraph a) above, the Company shall refund the original Client the amount obtained through this rental, however in an amount that does not exceed 90% of the rental amount paid in accordance with paragraph 1 above. The Company will charge the remaining 10% as overhead expenses.
- (5) In the event that any equipment or facility, or any of its parts or components, is lost, damaged, or destroyed, or that its return is delayed, until such time that the equipment or facility in question is returned to the Company in the same condition it was initially received in, or (in the event of loss) if it is found and returned to the Company, or (in the event it has been destroyed) if it is replaced with an equivalent item (or in financial terms) or with a comparable item capable of repeated rental. The Company reserves the right to evaluate the replacement method and assess the possibility of repeated rental of the item.
- (6) The Client agrees that the standard timeframe for payment is fourteen days. In the event that the payment due date is extended up to thirty days, an additional 0-2% of the initial price can be added to the amount due. In the event that the payment due date is extended to up to sixty days, the Company will add an additional 5% of the initial price. In the event that the payment due date is extended up to ninety days, the Company will add an additional 7% of the initial price.
- (7) All payments to the Company shall be made to the account stated on the Company's invoice. Any payments sent by post shall be made at the Client's

own risk. The Company reserves the right to charge late interest on all amounts still outstanding after the payment period at a rate of 0.05% for each day of delay, unless stated otherwise in the contract. Late interest is payable together with payment of the amount due.

- (8) All prices set out in the Company's price list are excluding value-added tax (VAT), which will be calculated at the legally valid rate.

Insurance

§8

- (1) The film and television equipment is insured through the Honoris Finance, a.s. brokerage company. *) The insurance shall apply to the entire territory of the European Union.
- (2) The Client's co-payment amount for each insured event is in the amount of CZK 10,000.00. *)
- (3) The Company has also taken out an insurance policy, which includes liability for damages caused to another in connection with the Company's activities.
- (4) The Company has negotiated liability insurance for damages caused to the Client by a natural disaster. This damage liability insurance does not apply in the event that the Client causes harm to either himself or to a different client while on Company premises. The Client shall insure any items brought.
- (5) The Client shall inform the lessor in writing of the occurrence of an insurable event without delay, however no later than by the next working day. In the case of damage caused by fire, criminal act, or traffic accident, the Client shall also report this event to the Police of the Czech Republic.
- (6) In the event that the insurance conditions are breached on the part of the Client, the Client is liable for the equipment or facilities up to the full value of the damaged equipment or facilities at the time the insurable event occurs.

(* the right to make changes is reserved)

Supplementary Provisions

§9

- (1) These Terms & Conditions are governed by the legal standards and legal code of the Czech Republic. The Client shall be irrevocably subject to the jurisdiction of the Czech courts.

- (2) The place for the fulfilment of delivery and payment is Prague.
- (3) The Client undertakes to ensure that all applicable persons are familiarized with these Terms & Conditions and to ensure that they act in compliance therewith at all times.
- (4) Any descriptions and illustrations in the catalogues, price lists, and any of the Company's other promotional materials are solely of an informational nature. The provisions specified in the contract are the decisive factor.
- (5) The Film Laboratory General Technical Conditions are an attachment to these Terms & Conditions as well as an integral attachment to each Contract the subject of which includes Film Laboratory services, products, or materials.

Prague, January 1, 2010

Barrandov Studio a.s.