Off the Walls Studio Gallery P.O. Box 802735, Santa Clarita, CA 91380 818.531.0881 *jp@otwsg.com*

ARTWORK LEASE/RENTAL AGREEMENT - TERMS & CONDITIONS

PLEASE READ CAREFULLY. YOU ARE LIABLE FOR OUR ARTWORK FROM THE TIME IT LEAVES OUR PREMISES UNTIL THE TIME IT IS RETURNED TO OUR PERMISES AND ACCEPTED BY US.

THIS ARTWORK LEASE/RENTAL AGREEMENT (the "<u>Agreement</u>"), is made and entered into this _____day of _____, 20___ (the "<u>Effective Date</u>"), by and between **OFF THE WALLS STUDIO GALLERY**, a California limited liability company (hereinafter designated as "<u>OTWSG</u>" or "<u>Us</u>" or "<u>We</u>" or "<u>Our</u>"), and the undersigned **LESSEE/RENTER** (hereinafter designated as "<u>Lessee</u>" or "<u>You</u>" or "<u>You</u>").

WHEREAS, Lessee wishes to rent/lease from OTWSG the artwork listed on the attached invoice (which artwork is hereinafter collectively referred to as the "<u>Artwork</u>"), which invoice is incorporated herein by this reference upon the terms and subject to the conditions of this Agreement;

WHEREAS, OTWSG and/or the third-party artist(s) that created, designed and/or generated the Artwork (hereinafter the "Artist") own the Artwork;

WHEREAS, OTWSG agrees to lease the Leased Property (as defined in Paragraph 1 hereinbelow) to the Lessee, and Lessee agrees to lease the same from OTWSG, on the terms and subject to the conditions of this Agreement.

NOW, THEREFORE, in consideration of the terms and conditions herein set forth, the parties hereto hereby covenant and agree as follows:

1. <u>Leased Property</u>. For the purposes of this Agreement, the term "<u>Leased Property</u>" means and refers to any of the Artwork owned by OTWSG and/or the Artist and leased to Lessee as mutually agreed upon by Lessee and OTWSG.

2. <u>Term</u>. The term of this Agreement shall commence on the Effective Date and continue thereafter unless and until terminated in accordance with Paragraphs 12 and/or 25 of this Agreement (the "<u>Term</u>").

3. <u>Ownership</u>. OTWSG and/or the Artist own each and all of the Leased Property, and the Leased Property is the sole and exclusive property of OTWSG and/or the Artist. Furthermore, the intellectual property rights, including, without limitation, copyrights and trademarks of and/or to any of the Leased Property is and shall remain with OTWSG and/or the Artist and shall be the sole property of OTWSG and/or the Artist. You have no rights or property interest in any of the Leased Property, except for the right to use the Leased Property in accordance with Paragraph 4, below. The Leased Property will remain the sole and exclusive property of OTWSG and/or the Artist even if the Leased Property is installed in or attached to the real property owned and/or operated by Lessee. We may, but are not obligated to, display notice of ownership on any and all of the Leased Property by means of suitable stencil, sign, advertisement, label or plaque affixed to the Leased Property.

4. <u>Use</u>. During the Term of this Agreement, You shall use the Leased Property (a) solely for the purpose of set dressings and/or featured prop(s) within the production and/or project specifically named and described in the attached Schedule "1" (hereinafter, the "<u>Production</u>") or any other use agreed upon by Us in writing; and (b) only at Your principal place of business and/or otherwise only in the normal operation of Your business and as necessary for the Production. You shall ensure that the Leased Property is used and/or operated according to Our, the Artist's, vendor's or manufacturer's written instructions, if any, and that all Leased Property is used and operated only by competent and qualified personnel. You shall not make any modifications, alterations or additions to any of the Leased Property without Our prior written consent. You will be charged by Us for the removal of the Leased Property at Our normal and customary rates.

5. <u>No Sale or Encumbrance</u>. Lessee may not lend, sell, dispose of, pledge, create a security interest in, or otherwise permit use of any of the Leased Property by any party not a party to this Agreement without the prior written permission of OTWSG.

6. <u>Rent Amount: Interest in Default of Payment</u>. As rent for the use of the Leased Property, Lessee shall pay OTWSG in accordance with the attached invoice (the "<u>Rent</u>") upon receipt and use of the Leased Property and in no event more than thirty (30)

days from the date of invoicing. In the event Lessee fails to pay OTWSG all amounts which shall become due under this Agreement or fails to perform its obligations hereunder, and OTWSG refers such matter to an attorney, Lessee agrees to pay, in addition to the amount due, any and all costs incurred by OTWSG as a result of such action, including to the extent permitted by law, reasonable attorneys' fees. Payment of Rent does not give Lessee any ownership or equity interest in any of the Leased Property.

7. <u>Indemnity</u>. Lessee agrees to defend, indemnify, and hold OTWSG and any parent, subsidiary and affiliated companies of OTWSG (collectively, "<u>Affiliates</u>") as well as their respective owners, officers, and employees harmless from and against any and all claims, actions, causes of action, demands, rights, damages of any kind, costs, loss of profit, expenses and compensation whatsoever including court costs and reasonable attorney fees ("<u>Claims</u>"), in any way arising from, or in connection with the Leased Property, including, without limitation, (a) as a result of its use, maintenance, or possession, irrespective of the cause of the Claim, including the active or passive negligence of Us, except as the result of Our gross negligence or willful misconduct, from the time the Leased Property leaves Our place of business when You rent/lease it until each and every item of Leased Property is returned to Us and accepted by Us; (b) the performance of this Agreement by Lessee; (c) the inadequacy or improper construction of any items of Lease Property used for any purpose; and (d) any deficiency or defect in any items of Leased Property and/or their related materials. Lessee further agrees that Lessee shall keep each item of Leased Property free and clear from all claims, levies, liens, encumbrances, and ad valorem taxes. Lessee shall give OTWSG immediate notice of any attachment or attempted attachment or other judicial process affecting any Leased Property. Lessee shall pay all ad valorem taxes assessed against the Leased Property and all sales or use taxes payable as a result of the Leased Property contemplated by this Agreement.

8. Loss of or Damage to Leased Property. You are responsible for any loss, damage or destruction of the Leased Property, including but not limited to losses while in transit, while loading and unloading, while at any and all locations, while in storage, while on Your premises, while at and/or on the location(s) of the Production, and while being used by You in any manner whatsoever, including damage or destruction of the Leased Property caused by the active or passive negligence of Us, except that You are not responsible for damage to or loss of the Leased Property caused by Our gross negligence or willful misconduct. You are also responsible for actual and verifiable loss of use and You shall fully compensate Us for the loss of use of the Leased Property during the time it is being repaired or replaced, as applicable.

9. <u>No Guarantee.</u> You acknowledge that the Leased Property is rented/leased without warranty, or guarantee, except as required by law or otherwise specifically agreed upon in writing by the parties at the inception of this Agreement.

10. <u>Property Insurance</u>. You shall, at Your own expense, procure and continuously maintain at all times during the Term of this Agreement or during the course the Leased Property is in your possession, whichever is longer, all risk perils property insurance ("<u>Property Insurance</u>"), covering each and every item of Leased Property from all sources (Artwork Rental Floater or Production Package Policy) including coverage for, without limitation, (i) theft by force; (ii) theft by fraudulent scheme and/or "voluntary parting"; (iii) mysterious disappearance; (iv) theft from unattended items of property; and (v) loss of use of the Leased Property, from the time the Leased Property is picked up by You or a shipper at Our place of business or placed upon a common carrier for forwarding to You, as applicable, until each and every item of Leased Property is returned to Us and accepted by Us. The Property Insurance shall be on a worldwide and "wall-to-wall" basis and name Us as the loss payee with respect to the Leased Property and shall cover all risks of loss of, or damage or destruction to, the Leased Property. The Property Insurance coverage shall be sufficient to cover the Leased Property at its replacement value but shall, in no event, be less than \$1,000,000. The Property Insurance shall be primary coverage over Our insurance. A copy of the Property Risk insurance policy, including the declarations pages and the specific endorsement naming Us as an additional insured shall be provided to Us upon Our request.

11. <u>Liability Insurance</u>. You shall, at your own expense, procure and continuously maintain at all times during the Term of this Agreement or while the Leased Property is in your possession, whichever is longer, general liability insurance ("<u>Liability Insurance</u>"), including, without limitation, coverage for the operations of independent contractors and/or employees as well as standard contractual liability coverage. The Liability Insurance shall name Us as an additional insured and provide that said insurance is primary coverage. Such insurance shall remain in effect during the course of this Agreement, and shall include, without limitation, the following coverages: standard contractual liability, personal injury liability, completed operations, and product liability. The Liability Insurance shall provide general liability aggregate limits of not less than \$2,000,000 (including the coverage specified above) and not less than \$1,000,000 per occurrence. A copy of the Liability Insurance policy, including the declarations pages and the specific endorsement naming Us as an additional insured, shall be provided to Us upon Our request.

12. <u>Insurance Generally</u>. All insurance maintained by You pursuant to the foregoing provisions shall contain a waiver of subrogation rights in respect of any liability imposed by this Agreement on You as against Us. You shall hold Us harmless from, and shall bear the expense of, any applicable deductible amounts and self-insured retentions provided for by any of the insurance policies required to be maintained under this Agreement. In the event of loss and/or damage, You shall promptly pay amount of the deductible amount or self-insured retention or the applicable portion thereof to Us or the insurance carrier, as applicable. Notwithstanding anything

to the contrary contained in this Agreement, the fact that a loss and/or damage may not be covered by insurance provided by You under this Agreement or, if covered, is subject to deductibles, retentions, conditions or limitations shall not affect Your liability for any loss and/or damage. Should You fail to procure or pay the cost of maintaining in force the insurance specified herein, or to provide Us upon Our request with satisfactory evidence of the insurance, We may, but shall not be obliged to, procure the insurance and You shall reimburse Us on demand for its costs. Lapse or cancellation of the required insurance set forth under the foregoing Paragraphs 10 through 12 shall be deemed to be an immediate and automatic Default of this Agreement (as set forth under Paragraph 25 hereof) thereby entitling Us to terminate the Agreement immediately. The grant by You of a sublease of the Leased Property shall not affect Your obligation to procure insurance on Our behalf, or otherwise affect Your obligations under this Agreement.

13. <u>Cancellation of Insurance</u>. You and Your insurance company shall provide Us with not less than 30 days' written notice prior to the effective date of any cancellation or material change to any insurance maintained by You pursuant to the foregoing provisions.

14. <u>Certificates of Insurance</u>. Before obtaining possession of the Leased Property, You shall provide to Us Certificates of Insurance confirming the coverages specified above. All certificates shall be signed by an authorized agent or representative of the insurance carrier.

15. <u>Single Production</u>. You acknowledge, agree and understand that You may use the Leased Property only as expressly permitted under Paragraph 4 hereinabove, and You may not use or authorize to be used any of the Leased Property in, on or in association with any film, television show, commercial, production or other project other than the individual Production named and described in Schedule "1." Any use of the Leased Property in, on and/or in association with any film, television show, commercial, production or other project other than the individual Production or other project other than the individual Production or other project other than the individual Production and described in Schedule "1" requires Our prior written consent and entitles Us to receive additional Rent from You.

16. <u>Transportation and Delivery</u>. You shall be responsible for picking up from and delivering back to Our place of business during normal working hours all items of Leased Property. You shall further be responsible for and pay any and all packaging, delivery and shipping charges and costs, and insurance costs. Risk of loss or damage incurred in the delivery and/or return of Leased Property shall be Your sole responsibility.

17. <u>Compliance With Law and Regulations</u>. You agree to comply with the laws of all states in which the Leased Property is transported and/or used as well as all federal and local laws, regulations, and ordinances pertaining to the transportation and use of such Leased Property. You shall indemnify and hold Us harmless from and against any and all fines, levies, penalties, taxes and seizures by any governmental authority in connection with or as a result of Your possession or use of the Leased Property, including, without limitation, the full replacement value of the Leased Property in the event of seizure or impound, including Our reasonable costs and/or attorneys' fees.

18. <u>Valuation of Loss/Our Liability is Limited</u>. Unless otherwise agreed in writing, You shall be responsible to Us for the replacement cost value or repair cost of the Leased Property (if the Leased Property can be restored, by repair, to its pre-loss condition) whichever is less. If there is a reason to believe a theft has occurred, You shall file a police report. Loss of use shall be calculated at the rental rate provided for in this Agreement; provided, however, that if any Leased Property is destroyed, then loss of use at the rental rate shall be insufficient to cover the value of the Artwork and You shall be responsible for the replacement cost value of the Leased Property. Accrued rental charges shall not be applied against the purchase price or cost of repair of the lost, stolen or damaged Leased Property. In the event of loss for which We are responsible, which shall only occur upon our gross negligence or willful misconduct, Our liability will be limited to the dollar amount actually paid by You to Us under this Agreement and We will, in no event, be liable for any indirect, special, punitive, consequential or incidental damages.

19. <u>Subrogation</u>. You hereby agree that any recovery rights You may have for damage to any of the Leased Property shall be subrogated to Us.

20. <u>Bailment</u>. This Agreement constitutes an agreement or bailment of the Leased Property and is not a sale or the creation of a security interest. You will not have, or at any time acquire, any right, title, or interest in any of the Leased Property, except the right to possession and use as provided for in this Agreement. We and/or the Artist will at all times be the sole owner of the Leased Property.

21. <u>Condition of Leased Property</u>. You assume all obligation and liability with respect to the possession of each and every item of Leased Property, and for its use, condition and storage during the term of this Agreement except as otherwise set forth herein. You will, at Your own expense, maintain each and every item of the Leased Property in good condition and working order. The Rent on any of the Leased Property will not be prorated or abated while the Leased Property is being serviced or repaired for any reason for which You are liable. We will not be under any liability or obligation in any manner to provide service, maintenance, repairs, or parts for the Leased Property, except as otherwise specially agreed by Us in writing. All modifications, alterations, additions, installations, replacements,

and/or substitutions of parts or accessories with respect to any of the Leased Property will become part of the Leased Property and will be owned exclusively by Us.

22. <u>Inspection by OTWSG</u>. OTWSG may enter Lessee's premises and/or the location(s) of the Production at all reasonable times for the purpose of inspecting the condition of the Leased Property, or making repairs or modifications to the Leased Property as OTWSG determines is necessary for the safety, preservation, or improvement of the Leased Property.

23. <u>Identity</u>. We will have the right to place and maintain on the exterior or interior of each piece of Leased Property covered by this Agreement the following inscription: "*Property of Off the Walls Studio Gallery*" or other inscription as we so choose to indicate ownership of the Leased Property. You will not remove, obscure, or deface the inscription or permit any other person to do so.

24. <u>Accident Reports</u>. If any of the Leased Property is damaged, lost stolen, or destroyed, or if any person is injured or dies, or if any property is damaged as a result of its use, maintenance, or possession, You will promptly notify Us of the occurrence, and You will file all necessary accident reports, including those required by law and those required applicable insurers. You as well as Your employees and agents will cooperate fully with Us and all insurers providing insurance under this Agreement in the investigation and defense of any claims. You will promptly deliver to Us any documents served or delivered to You and/or Your employees and/or Your agents in connection with any claim or proceeding at law or in equity begun or threatened against You, Us, or both You and Us.

25. <u>Default; Termination</u>. If You fail to pay any portion or installment of the total fees payable hereunder (including, without limitation, the Rent) or You otherwise materially breach this Agreement (including, without limitation, failing to procure and/or continuously maintain the insurance policies as required under the foregoing Paragraphs 10 through 14), then such failure or breach shall constitute a default of this Agreement ("<u>Default</u>"). Upon the occurrence of any such Default, and in addition to all other rights and remedies available at law or in equity, We shall have the right, at Our option, to terminate this Agreement and cease performance hereunder. Furthermore, in the event the Production is cancelled, abandoned and/or suspended or delayed for a period likely to exceed two (2) months, and in addition to all other rights and remedies available at law or in equity, We shall have thereunder. You further agree that the continuation of Our performance hereunder after a Default shall not constitute a waiver or operate as any form of estoppel with respect to Our later assertion of Our right to cease such performance at any time so long as such Default has not been cured.

26. Lessee's Representations and Warranties. Lessee hereby represents and warrants to OTWSG as follows: (a) Lessee has all right and authority to enter into this Agreement and Lessee is under no conflicting obligations that would prevent Lessee from performing his/her/its/their obligations hereunder; (b) the Leased Property is in good condition and of a type, size, design, and capacity selected solely by the Lessee, and each item of Leased Property is being leased for use in the ordinary conduct of the Lessee's business; (c) if after the Effective Date the Leased Property does not operate properly or is defective, the Lessee shall make any claim on account thereof against the manufacturer, seller, installer, or Artist of the Leased Property, and shall not assert any such claim against OTWSG; (d) Lessee shall bear all expenses incurred or related to any claims made or actions taken on any assigned warrant, and any cash or cash equivalent recovered under any such warranty shall be made payable to the OTWSG and, in the OTWSG's sole discretion, shall be used to repair or replace the Leased Property; (e) Lessee shall pay Rent to the OTWSG even if the Leased Property's supplier, manufacturer, or Artist breaches any warranty or representation; (f) all documents delivered by Lessee in connection with this Agreement have been duly authorized by all necessary action on the part of the Lessee; and (g) the execution, delivery, and performance of this Agreement do not violate any law or governmental rule, regulation, or order applicable to the Lessee.

27. <u>OTWSG's Representations and Warranties</u>. Subject to the disclaimers and limitations set forth in Paragraphs 28 and 29 below, OTWSG hereby represents and warrants to Lessee as follows: (a) OTWSG has the right to lease the Leased Property on the terms and subject to the conditions of this Agreement; and (b) during the Term and subject to the terms and provisions hereof, OTWSG shall not interrupt the Lessee's possession and use of the Leased Property so long as the Lessee performs and observes all the conditions and obligations of Lessee set forth herein and Lessee is not otherwise in Default of this Agreement as set forth under Paragraph 25 hereof.

28. <u>WARRANTY DISCLAIMER</u>: WE MAKE NO WARRANTIES OF MERCHANTABILITY, DESIGN, CONDITION, QUALITY, OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, AS IT RELATES TO THE LEASED PROPERTY OR ANY PART THEREOF, INCLUDING, WITHOUT LIMITATION, THE ARTWORK. YOU ACCEPT EACH AND EVERY ITEM OF THE LEASED PROPERTY "AS IS."

29. <u>LIMITATION OF LIABILITY</u>. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW AND NOTWITHSTANDING THE FAILURE OF ANY REMEDY TO FULFILL ITS ESSENTIAL PURPOSE, IN NO EVENT SHALL WE OR OUR AFFILIATES BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS, ARISING FROM OR RELATED TO THIS AGREEMENT AND/OR YOUR USE OF THE LEASED PROPERTY, REGARDLESS OF THE FORM OF ACTION EVEN IF WE

WERE INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. THE MAXIMUM LIABILITY OF JOHN PHILPOTTS/OFF THE WALLS STUDIO GALLERY AND/OR HIS/ITS/THEIR AFFILIATES WILL BE LIMITED IN ALL CASES TO A MAXIMUM DOLLAR AMOUNT EQUAL TO THE DOLLAR AMOUNT ACTUALLY PAID BY LESSEE TO OTWSG UNDER THIS AGREEMENT.

30. <u>Return</u>. Upon the expiration date of this Agreement with respect to any or all Leased Property, You will return each and every item of Leased Property to Us, together with all accessories, free from all damage and in the same condition and appearance as when received by You.

31. <u>Additional Leased Property</u>. Additional Leased Property may from time to time be added as the subject matter of this Agreement as agreed on by the parties in writing. Any such additional Leased Property will be added in an amendment describing the property, the monthly rental, security deposit, and stipulated loss value of such additional Leased Property.

32. <u>Entire Agreement; Severability</u>. This Agreement and any attached schedules, which are incorporated by reference and made an integral part of the Agreement, constitute the entire agreement between the parties hereto and supersedes all prior communications and understandings between the parties hereto with respect to the subject matter hereof and constitutes their sole and entire agreement with respect to the subject matter hereof. No agreements, representations, or warranties other than those specifically set forth in this Agreement or in the attached schedules will be binding on any of the parties unless set forth in writing and signed by both parties hereto. If any provision of this Agreement or the application of any of its provisions to any party or circumstance is held invalid or unenforceable, the remainder of this Agreement, and the application of those provisions to the other parties or circumstances, will remain valid and in full force and effect.

33. <u>Modification; Waiver</u>. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered by both parties hereto. No failure on the part of any party to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any party in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. No party shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such party; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

34. <u>Governing Law and Venue</u>. This Agreement will be deemed to be executed and delivered in Los Angeles, California, and shall be governed and construed in accordance with the laws of the State of California without regard to the conflict of laws principles thereof.

Arbitration. PLEASE READ THIS PROVISION CAREFULLY. ARBITRATION REPLACES THE RIGHT TO GO TO 35. COURT, INCLUDING THE RIGHT TO A JURY AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, A DISPUTE IS RESOLVED BY AN ARBITRATOR INSTEAD OF A JUDGE AND JURY. Any dispute, claim, controversy or action arising out of or related to this Agreement or breach of this Agreement (collectively, a "Dispute") shall be settled exclusively by binding arbitration, in Los Angeles, California, under the auspices of the Judicial Arbitration and Mediation Service ("JAMS"). The arbitration will be conducted by a single arbitrator under JAMS Streamlined Arbitration Rules. The decision and award of the arbitrator will be final and binding and any award may be entered in any court having jurisdiction. This clause shall not preclude OTWSG from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The prevailing party in any such arbitration shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief granted. BY EXECUTING THIS AGREEMENT, LESSEE AND OTWSG ARE HEREBY WAIVING THE RIGHT TO LITIGATE ANY DISPUTE IN COURT, OR TO HAVE A JURY TRIAL ON THAT DISPUTE, EXCEPT AS OTHERWISE EXPLICITLY PROVIDED FOR IN THIS PARAGRAPH 35. NOTWITHSTANDING THE FOREGOING, NOTHING HEREIN CONTAINED SHALL BAR THE RIGHT OF OTWSG TO: (I) OBTAIN INJUNCTIVE RELIEF FROM A COURT AGAINST THREATENED CONDUCT THAT COULD CAUSE OTWSG LOSS OR DAMAGES, UNDER THE USUAL EQUITY RULES, INCLUDING THE APPLICABLE RULES FOR OBTAINING RESTRAINING ORDERS AND PRELIMINARY INJUNCTIONS; OR (II) OBTAIN A JUDGMENT FROM A COURT HAVING JURISIDICTION CONFIRMING THE AWARD OF THE ABITRATOR(S).

36. <u>Headings</u>. Paragraph titles and headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

37. <u>Counterparts</u>. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. For purposes of this Agreement, use of a facsimile, e-mail, or other electronic medium shall have the same force and effect as an original signature.

38. <u>Interpretation</u>. California *Civil Code* section 1654 is inapplicable to this Agreement, and the parties hereto agree that this Agreement is the product of joint drafting between the parties.

39. <u>Assignment</u>. Lessee shall neither assign this Agreement nor Lessee's rights and/or obligations hereunder without the prior written consent of OTWSG. Lessee shall not assign, sublease, or transfer any of the Leased Property without OTWSG's prior written consent. For the purposes of this Agreement, any sale of Lessee's business or substantially all of the assets of Lessee's business shall constitute an "assignment" requiring OTWSG's prior written consent to any assignment of this Agreement and/or assignment, sublease and/or transfer of the Leased Property. If Lessee sells the Lessee's business, then Lessee shall provide the purchaser of Lessee's business with notice of this Agreement and not include any of the Leased Property in any such sale of Lessee's business. In the event Lessee closes his/her/its business, Lessee shall notify OTWSG promptly of such closing.

40. <u>Binding Effect</u>. This Agreement is legally binding contract on the part of both OTWSG and Lessee and their respective heirs, successors and assigns in accordance with the terms and conditions set out herein.

41. <u>Relationship of Parties</u>. Nothing in this Agreement is intended to, or should be construed to create a partnership, agency, joint venture, or employment relationship between the parties hereto.

42. <u>Authority</u>. Any individual signing this Agreement on behalf of an entity hereby represents and warrants in his/her individual capacity that he/she has full authority to do so on behalf of that entity.

43. <u>Notices</u>. Any notice or other communication provided for herein or given hereunder to a party hereto shall be in writing and shall be given in person, by overnight courier, or by mail (registered or certified mail, postage prepaid, return receipt requested) to the respective party at the address written below.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LESSEE

OFF THE WALLS STUDIOS GALLERY, a California limited liability Company

By:			
sy ts:	 	 	
Address:			

By: John Philpotts Its: Chief Executive Officer

Address: 7401Laurel Canyon Blvd., Unit 22, N. Hollywood, Ca 91605