FILM SCANNING SERVICES AGREEMENT

This FILM SCANNING SERVICES AGREEMENT (this “Agreement”) is entered into effective as of ___________, 2008, between Image Trends, Inc., a Delaware corporation with its principal place of business at 6300 Bridgepoint Parkway, Building One, Suite 450, Austin, Texas 78730 (“Image Trends”) and __________________, a __________________ ("Customer") to set forth the terms and conditions under which Image Trends will provide film scanning services to Customer.

1. **Film Scanning Services.** During the term of this Agreement, Image Trends will make available to Customer the film scanning services described in Exhibit A to this Agreement (the "Film Scanning Services") in accordance with the terms and conditions contained in this Agreement. Customer will provide to Image Trends Original motion picture film and/or film reels (the “Original Film”). Following its receipt of the Original Film, Image Trends will perform the Film Scanning Services on each frame of such Original Film and return the resulting digitized film images files on a hard drive, or other media as Customer and Image Trends shall mutually agree (the "Output Files"), to Customer within the delivery time set forth in Section 2 below.

2. **Delivery Time.** Unless otherwise specified by Customer, Image Trends shall perform all Film Scanning Services for Customer on a first in-first out basis. Unless otherwise notified by Customer, Image Trends will ship (via UPS or comparable delivery service) the Original Film and the Output Files to Customer within thirty (30) days after the date that Image Trends received the Original Film.

3. **Pricing and Payment.** Image Trends will send Customer an invoice for the Film Scanning Services applied to the Original Film with shipment of the applicable Output Files. The initial fees for the Film Scanning Service shall be $X.XXX for each film frame in the Original Film for which Image Trends performs film scanning (the "Fee"). Invoices also shall include the cost of shipping the Output Files and Original Film to Customer. Image Trends also will make available the optional services, described in Exhibit B, for the fees set forth therein. Unless Customer provides Image Trends with a valid resale certificate or other evidence of exemption, Image Trends’ invoices to Customer will include applicable sales or use tax, if any. Customer shall pay all invoices within ten (10) days of receipt.

4. **Limited Warranty.** Image Trends warrants that the Film Scanning Services will be performed in a workmanlike manner and with use of Image Trends’ advanced defect correction and enhancement software. Customer’s sole remedy for the breach of this warranty shall be a refund of all Fees paid or payable with respect to the Original Film to which such Film Scanning Services were applied. IMAGE TRENDS DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, AS TO CONDITION, QUALITY, APPEARANCE, PERFORMANCE, ERROR-FREE OPERATION, AND IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SERVICES THAT ARE PROVIDED TO CUSTOMER UNDER THIS AGREEMENT.

ALL FILM SCANNING SERVICES ARE PROVIDED AT CUSTOMER’S OWN RISK. WITHOUT LIMITING THE FOREGOING, CUSTOMER ACKNOWLEDGES THAT THE FILM SCANNING PROCESS MAY RESULT IN DAMAGE TO THE ORIGINAL FILM, PARTICULARLY IF THE ORIGINAL FILM IS BRITTLE, WORN OR DAMAGED. CUSTOMER ASSUMES ALL LIABILITY, AND WILL HOLD IMAGE TRENDS HARMLESS FROM AND AGAINST ANY CLAIM, AS TO ANY DAMAGE OR ALLEGED DAMAGE TO THE ORIGINAL FILM RESULTING FROM IMAGE TRENDS’ PERFORMANCE OF FILM SCANNING SERVICES HEREREUNDER. THE ORIGINAL FILM WILL BE RETURNED TO CUSTOMER “AS IS”.  

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CUSTOMER HAS INITIALED HERE: _____________ TO EXPRESSLY EVIDENCE CUSTOMER’S ACCEPTANCE OF THE TERMS OF THIS SECTION 4.

5. Term/Termination. The initial term of this Agreement shall be for a period of one year. The Agreement may be terminated by either party for convenience prior to the expiration of the term by providing at least thirty (30) days’ prior written notice of its election to terminate this Agreement to the other party hereto. Upon termination, Image Trends agrees to return to Customer all Original Film then held in its possession which it received from Customer.


6.1 All notices, requests, consents and other communications hereunder shall be in writing and shall be delivered at such party’s address, if to Image Trends, at its address set forth on the first page of this Agreement or if to Customer, at its address set forth on the signature page hereto. Either party may change such address by notice hereunder.

6.2 Neither party will use the name of the other in any publicity, marketing or promotion, without the prior consent of the other, which consent may be revoked or subsequently withheld at any time.

6.3 Image Trends may utilize affiliated entities to perform Film Scanning Services; provided, however, that Image Trends will remain primarily liable for the performance of such Film Scanning Services. Subject to the foregoing this Agreement is binding upon and will inure to the benefit of each party and its successors and assigns.

6.4 This Agreement may not be modified, nor may any of its provisions be waived, except by an instrument signed by the party against whom such modification or waiver is to be enforced.

6.5 This Agreement embodies the entire agreement and understanding between Customer and Image Trends with respect to the subject matter hereof and supersedes any prior agreements and understandings between the parties hereto.

6.6 If any provision of this Agreement shall be otherwise unlawful, void, or for any reason unenforceable, then that provision shall be enforced to the maximum extent permissible so as to effect the intent of the parties. In either case, the remainder of this Agreement shall continue in full force and effect.

6.7 Neither party shall be held responsible to the other for any failure to perform any of its obligations under this Agreement due to a natural catastrophe or other act of God, act of civil or military authority or strike. In the event of any such delay, the date of delivery or performance shall be extended for a period equal to the time lost by reason of the delay.

6.9 The headings of the articles and sections used in this Agreement are included for convenience only and are not to be used in construing or interpreting this Agreement.

6.10 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to principles of conflicts of laws thereof.
IN WITNESS WHEREOF, the parties have caused this Film Scanning Services Agreement to be executed as of the date set forth above.

“Image Trends”

IMAGE TRENDS, INC.

By: ______________________________
Title: _____________________________

“Customer”

____________________________________
By: ________________________________
Title: _______________________________
Address: ____________________________

____________________________________
Exhibit “A”

Setup charges:
- Initial Customer setup: $100
- Setup for each job: $150

Cut list processing
- Using sequential KeyCodes: $100 per 1000 feet

Custom script processing
- $200 per 1000 feet

Storage options
- ITI provided hard disc: Hardware cost plus $50
- Archive of scanned film on disc: $50 per month per Terabyte – first month is free
- Archive on LTO tape: Cost of tape cartridges plus $20 per month per Terabyte

Scanning charges
- $2.40 per foot of 35mm film at 4K
- $1.60 per foot of 35mm film at 2K

Shipping and handling
- Actual expense

The above fees may change without notice. All fees will be agreed to prior to accepting order.