

PROP LEASE/RENTAL AGREEMENT TERMS & CONDITIONS

Please Read Carefully. You Are Liable For Our Props From The Time They Leave Our Place of Business Until They Are Returned To Us

1. **Indemnity.** Lessee/Renter ("You" or "Your") agree to defend, indemnify, and hold E.C. Prop Rentals, Inc. ("Us" or "We") 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 costs and reasonable outside attorneys' fees ("Claims"), in any way arising from, or in connection with the props rented/leased (the "Props"), including, without limitation, as a result of their use, maintenance, or possession, irrespective of the cause of the Claim, except as the result of our sole negligence or willful act, from the time the Props leave our place of business when You rent/lease them until the Props are returned to Us.
2. **Loss of or Damage to Property.** You are responsible for loss, damage (ordinary wear and tear excepted) or destruction of the Props, including but not limited to losses while in transit, while loading and unloading, while at any and all locations, while in storage and while on Your premises, except that You are not responsible for damage to or loss of the Props caused by our sole negligence or willful misconduct. You are also responsible for loss of use and You shall fully compensate Us for the loss of use of the Props during the time they are being repaired or replaced, as applicable, as the rental rates provided/noted on the rental invoice.
3. **Protection of Others.** You will take reasonable precautions in regard to the use of the Props to protect all persons and property from injury or damage. The Props shall be used only by employees or agents qualified to use the Props.
4. **Disclaimer of Warranties.** You hereby acknowledge that the Props are rented "as is" and "with all faults." We make no warranty, and specifically disclaim any express or implied warranty whatsoever, with respect to the Props regarding title, condition, design, operation, merchantability, freedom from claims of infringement or the like, fitness for use for a particular purpose, quality of materials or workmanship, or absence of discoverable or non-discoverable defects. You shall examine and inspect any Props rented hereunder to determine that the Props are safe and in good working order. Such examination and inspection shall occur at the time of delivery or as soon as reasonable after delivery of the Props and in any event before the first use of the Props. Your use of any Props shall constitute an acknowledgement by You that such Props are in good working order and safe, and You assume all risk of liability resulting from any malfunctioning or otherwise unsafe Props. In the event that You cause any modification of any Props in any manner whatsoever, You shall be responsible for all liability which may arise in connection with the modification of such Props. You shall not modify any Props without Our prior written consent, and You shall restore any modified Props to their original condition prior to the return of such Props to Us. You shall be responsible for the cost, as determined by Us, to repair or replace any modified Props to their original condition.
5. **Property Insurance.** You shall, at Your own expense, maintain at all times during the term of this Agreement, all risk perils property insurance ("Property Insurance") covering the Props from all sources (Equipment 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) loss of use of the Props, from the time the Props are 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 the Props are returned to and accepted by Us, including, without limitation, during the process of loading and unloading. The Property Insurance shall be on a worldwide basis, shall name Us as an additional insured and as the loss payee with respect to the Props and shall cover all risks of loss of, or damage or destruction to the Props. The Property Insurance coverage shall be sufficient to cover the Props at their replacement value but shall, in no event, be less than \$1,000,000. The Property Insurance shall be primary coverage over our insurance.
6. **Workers Compensation Insurance.** You shall, at Your own expense, maintain worker's compensation/employer's liability insurance during the course of the Prop rental with minimum limits of \$1,000,000.
7. **Liability Insurance.** You shall, at Your own expense, maintain commercial general liability insurance ("Liability Insurance"), including coverage for the operations of independent contractors and 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.
8. **Vehicle Insurance.** You shall, at Your own expense, maintain business motor vehicle liability insurance ("Vehicle Insurance"), including coverage for loading and unloading Equipment and hired motor vehicle physical damage insurance, covering owned, non-owned, hired and rented vehicles, including utility vehicles such as trailers. Coverage for physical damage shall include "comprehensive" and "collision" coverage. We shall be named as an additional insured with respect to the liability coverage, and as a loss payee with respect to the physical damage coverage. The Vehicle Insurance shall also include coverage for pollution caused by any vehicles. The Vehicle Insurance shall provide not less than \$1,000,000 in combined single limits liability coverage and actual cash value for physical damage and shall provide that said insurance is primary coverage with respect to all insureds, the limits of which must be exhausted before any obligation arises under our insurance.
9. **Insurance Generally.** 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 by You under this Agreement. In the event of loss, 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 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. Should You fail to procure or pay the cost of maintaining in force the insurance specified herein, or to provide Us upon request with satisfactory evidence of the insurance, We may, but shall not be obliged to, procure the insurance and shall reimburse Us on demand for its costs. Lapse or cancellation of the required insurance shall be deemed to be an immediate and automatic default of this agreement. The grant by You of a sublease of the Property rented/leased shall not affect Your obligation to procure insurance on our behalf, or otherwise affect Your obligations under this Agreement.
10. **Cancellation of Insurance.** 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.
11. **Certificates of Insurance.** Before obtaining possession of the Props 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.
12. **Valuation of Loss/Our Liability is Limited.** Unless otherwise agreed in writing, You shall be responsible to Us for the replacement cost value or repair cost of the Props (if the Props can be restored, by repair, to their pre-loss condition) whichever is less, reasonable wear and tear excepted. 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. Accrued rental charges shall not be applied against the purchase price or cost of repair of the lost, stolen or damaged Props. In the event of loss for which We are responsible, our liability will be limited to the contract price and WE WILL, IN NO EVENT, BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL OR INCIDENTAL DAMAGES.
13. **Subrogation.** You hereby agree that We shall be subrogated to any recovery rights You may have for damage to the Props.
14. **Lease/Rental.** This agreement constitutes a lease/rental of the Props 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 the Props, except the right to possession and use as provided for in this Agreement. We will at all times be the sole owner of the Props.

15. **Condition of Props.** You assume all obligation and liability with respect to the possession of Props, and for their use, condition and storage during the term of this Agreement except as otherwise set forth herein. The rent on any of the Props will not be prorated or abated while the Props are 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 Props, except as otherwise specially agreed or as may be within the course and scope of employment by You.
16. **Identity.** We will have the right to place and maintain on the exterior or interior of each piece of property covered by this Agreement the following inscription: Property of E. C. Prop Rentals, Inc You will not remove, obscure, or deface the inscription or permit any other person to do so.
17. **Clearances.** You shall be solely responsible for obtaining any licenses or clearances necessary to display trademarks or other protected intellectual property in connection with the Props. You agree to defend, indemnify and hold Us harmless from any and all third party Claims arising out of Your failure to comply with the foregoing.
18. **Accident Reports.** If any of the Props are damaged, lost stolen, or destroyed, or if any person is injured or dies, or if any property is damaged as a result of the Props' use, maintenance, or possession, You will promptly notify Us of the occurrence, and will file all necessary accident reports, including those required by law and those required applicable insurers. You, 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, Your employees, or Your agents in connection with any claim or proceeding at law or in equity begun or threatened against You, Us, or both of Us.
19. **Default -** If You fail to pay any portion or installment of the total fees payable hereunder You otherwise materially breach this Agreement upon notice thereof and after reasonable opportunity to cure, then such failure or breach shall constitute a default ("Default"). 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. 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 its right to cease such performance at any time so long as such Default has not been cured.
20. **Return.** Upon the expiration date of this Agreement with respect to any or all Props, You will return the Props to Us, together with all accessories, free from all damage and in the same condition and appearance as when received by You, ordinary wear and tear excepted.
21. **Additional Props.** Additional Props may from time to time be added as the subject matter of this Agreement as agreed on by the parties. Any additional property will be added in an amendment describing the props, the monthly rental, security deposit, and stipulated loss value of the additional Props. All amendments must be in writing and signed by both parties. Other than by this amendment procedure, this Agreement may not be amended, modified, or altered in any manner except in writing signed by both parties.
22. **Entire Agreement.** This Agreement and any attached invoices and schedules, which are incorporated by reference and made an integral part of the Agreement, constitute the entire agreement between the parties. 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.
23. **Applicable Law.** This Agreement will be deemed to be executed and delivered in Los Angeles, California, and governed by the laws of the State of California.
24. **Arbitration.** Any controversy or claim arising out of or related to this Agreement or breach of this Agreement will be settled by 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. The prevailing party in any such arbitration shall be entitled to an award of reasonable outside attorneys fees and costs in addition to any other relief granted.
25. **Severability.** 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.
26. **Facsimile/Scanned Signature.** This Agreement may be executed in counterparts and by facsimile signature or signature that is scanned and transmitted by e-mail; such forms of signature shall be deemed to be original and fully binding.
27. **Rights.** We acknowledge and agree that You and Your assignees, successors and licensees, shall exclusively own all rights in and to any photographs, motion pictures and recordings taken by You of, on or using the Props and that You shall enjoy the irrevocable and perpetual right throughout the universe to use such photographs, motion pictures and other recordings in and in connection with the production, exhibition, promotion and exploitation of the Picture, any 'behind-the-scenes', 'bloopers' or similar footage, any merchandising or commercial tie-ins, in any manner and in all media, whether now known or hereinafter devised, including without limitation, all forms of television, home video (e.g. videocassettes, videodiscs and DVD), and interactive "electronic" media (e.g. Internet and CD-ROM). You are not obligated actually to use the Props or to include any of said photography and/or said sound recordings taken of, on or using the Props in any motion picture.
28. **Claim.** In the event of any claim by Us against You, We shall be limited to our remedy at law for damages, if any, and We may not enjoin, restrain or interfere with the production, distribution, exhibition or exploitation of the Picture.

ACKNOWLEDGED AND AGREED BY AUTHORIZED REPRESENTATIVE:

 (LESSOR) PLEASE PRINT YOUR NAME

DATE: _____

 (LESSEE) PLEASE PRINT YOUR NAME

DATE: _____

X _____ DATE: _____ X _____ DATE: _____
 LESSOR SIGNATURE LESSEE SIGNATURE