

RENTAL AGREEMENT STANDARD TERMS AND CONDITIONS

The following Standard Terms and Conditions shall be incorporated into and made a part of that certain Equipment Rental Agreement entered into by Lessor and Lessee (hereinafter the "Lease"). Should there be any conflict between the Lease and these Standard Terms, the Standard Terms shall prevail. The effective date of these Standard Terms shall be as of the effective date of the Lease. The Lease and these Standard Terms are sometimes collectively referred to herein as the "Agreement".

1. **PAYMENT TERMS:** Lessee agrees to pay the rental price for the equipment rented. Any late payment of the rental price shall bear interest at the rate of 1.5% per month (or any fraction thereof) on any unpaid balances past 30 days from return of rental. The full rental fee shall be due regardless of whether Lessee voluntarily returns the equipment prior to the return date/end date of the Lease.

2. **INDEMNITY:** Lessee agrees to indemnify and hold Lessor harmless from and against any and all claims, damages, costs and expenses (including reasonable attorneys' fees and costs), arising out of or in connection with Lessee's breach of its obligations, representations and warranties under the Agreement as well as its use and/or possession of the equipment.

3. **DAMAGE/REPLACEMENT/INSURANCE:** Unless Lessee has agreed to and paid the fee for the "Damaged Equipment Insurance Waiver" as provided in the Lease, Lessee shall be solely responsible for all costs related to the repair or replacement of the equipment (as determined by Lessor) as a result of it being damaged or destroyed while under the care, custody and control of Lessee or its assigns. Lost or stolen equipment is not covered in the Damaged Equipment Insurance Waiver. If the equipment is lost, stolen or not returned by Lessee for any other reason, Lessee shall be solely responsible for the replacement cost of the equipment. Insurance waivers are described on the additional page of this agreement, please read it. In addition to any repair or replacement costs, Lessee shall continue to be obligated to pay the daily rental rate for the equipment until such time as the equipment has been returned to Lessor in acceptable condition which shall not exceed thirty (30) days from the expiration of the lease term. If the Lessee has not paid the additional rental fee for Lessor's liability insurance waiver and Damaged Equipment Insurance Waiver, then Lessee agrees to provide Lessor with a Certificate of Insurance naming Lessor as an additional insured and "loss payee" under Lessee's General Liability Insurance Policy which shall have not less than \$1 Million/\$3 Million in coverage and a deductible of not more than \$2,500 USD and shall also include automobile coverage. Lessor may, at its sole discretion, require a cash or credit card authorization deposit in an amount sufficient to cover any repair costs, replacement costs, additional rental charges and/or the deductible amount of the Lessee's insurance.

4. **CARE/ADDITIONAL FEES:** Lessee will maintain the equipment in good condition during its use including, but not limited to any parts thereof. An additional cleaning fee may be assessed at Lessor's discretion if the equipment is not returned in the same condition as rented, less normal wear and tear. An additional daily rental fee shall be due for any equipment returned after 12:00 pm on the last day of the Lease term.

5. **LIMIT OF LIABILITY:** To the fullest extent permissible under law, in no event shall Lessor be liable to Lessee for any direct or indirect loss of profits or any incidental, consequential, indirect, special or punitive damages (including without limitation lost profits, loss of use, loss of data or other business opportunity losses) arising out of or related to the use of the equipment, whether in contract, tort, negligence or other form of action even if the Lessor has been apprised of the possibility of such damages. This section shall apply notwithstanding any failure of essential purpose of any limited remedy.

Lessor's total liability to Lessee for damages under the Agreement will not exceed the sum of all fees actually paid by Lessee to Lessor.

6. **LESSEE WARRANTIES:** Lessee warrants and represents that: (i) it has the authority to enter into this Agreement; (ii) it shall not be in breach of any agreement or obligation by its entering into this Agreement; (ii) there are no claims pending or suspected with respect to the Lessee's business that may impair or interfere with Lessee's ownership interest in the equipment; and (iii) it has the financial wherewithal to comply with its obligations hereunder and is not unable to pay its debts and obligations when they become due.

7. **MISCELLANEOUS:**

(a) This Agreement shall not be modified or amended except as agreed to in writing by the parties.

(b) This Agreement constitutes the complete understanding of the parties. Except as provided herein, neither party is entering into this agreement based on any representation, whether oral or otherwise, made by either party.

(c) This Agreement shall be governed by the laws of the State of California. Each of the parties submits to the personal jurisdiction of the courts located in the State of California and any dispute related to the enforcement of this Agreement shall be brought in the courts located in the State of California, County of Los Angeles. Should a dispute arise between the parties related to the enforcement of this Agreement, the prevailing party may recover its costs of such suit, including but not limited to its attorney's fees, in addition to any other remedy.

(d) Lessor may terminate the Agreement with or without cause by providing notice of such to Lessee. Upon termination of this Agreement either by its express, natural term or as otherwise provided herein, Lessee shall immediately return the equipment to Lessor and pay all sums then due and owing to Lessor. Should Lessee fail to pay any and all sums due and owing under the Agreement, Lessor may charge the credit card on file for such amounts. Should Lessor terminate this Agreement without cause, Lessor shall refund all un-accrued charges imposed upon Lessee within five (5) business days of Lessee's return of the equipment subject to any additional charges as provided in this Agreement. In addition to any other remedy to which Lessor is entitled pursuant to the Agreement, Lessor may enter upon Lessee's premises or any location that Lessee is then occupying to recover the equipment should Lessee be in breach of this Agreement including, but not limited to the failure to timely return the equipment. Lessee waives any claim of trespass or otherwise related to Lessor's actions in furtherance of this paragraph.

(e) Any failure by either party to enforce at any time or for any period of time the provisions of this Agreement shall not be construed as a waiver of such provision, or of the right to enforce that provision.

(f) In the event any part of this Agreement is held to be unenforceable, that shall not affect the enforceability of the remaining provisions.

(g) The headings of each provision of this Agreement are for reference purposes only.

(h) This Agreement will be binding on and will insure to the benefit of the heirs, executors, administrators, successors and assignees of the parties. Notwithstanding the foregoing, however, Lessee shall not assign its obligations hereunder without our prior written consent of the Lessor.

(i) Lessor makes no warranty, express or implied with respect to the condition or quality of the equipment. Lessee takes the equipment "AS IS" and agrees to use it at Lessee's sole risk.

(j) Any notice or other communication required or permitted in this Agreement shall be in writing and shall be deemed to have been duly given on the day of service if served personally or by facsimile transmission with confirmation, or 10 days after mailing if mailed by First Class mail, registered or certified, postage prepaid, and addressed to Lessor and Lessee at the addresses set forth above in the Lease, or at such other addresses as may be specified by either party pursuant to the terms and provisions of this paragraph. A courtesy copy of any notice to be provided to Lessor shall be sent to its counsel at: HAMRICK & EVANS, LLP, 2600 W. Olive Avenue, Suite 1020, Burbank, CA 91505, Attn: Michael Golland, Esq. T: 818-763-5292, F: 818-763-2308, email: MGolland@hamricklaw.com.

(k) Nothing contained in the Agreement shall be deemed to convey any ownership interest in and to the equipment to Lessee. Lessee shall not pledge, sell, assign, or transfer the equipment or any rights therein (or attempt to do any of the foregoing).

(l) Each of the parties have had the opportunity to consult counsel prior to entering into the Agreement. Each of the parties agree and acknowledge that they are entering into this Agreement on its own volition and not under any undue influence or duress.

I HAVE READ THE ABOVE, UNDERSTAND AND AGREE TO IT.

SIGN _____ **PRINT** _____ **DATE** _____

INITIAL _____