

Reel Men Rentals Inc.
LEASE/RENTAL AGREEMENT TERMS & CONDITIONS

1. **Indemnity.** Lessee/Renter ("You") agree to defend, indemnify, and hold Reel Men Rentals, Inc., their officers, employees, subsidiaries, and agents ("Us") 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 attorneys' fees ("Claims"), in any way arising from, or in connection with the Vehicles and Equipment rented/leased (which vehicles and equipment, together, are referred to in this document as ("Equipment")), including, without limitation, as a result of its use, maintenance, or possession, irrespective of the cause of the Claim, from the time you take delivery on our premises or the Equipment is placed in transit by "Us" for delivery to "You", until the Equipment is returned to us during normal business hours and we sign a written receipt for said Equipment.

2. **Loss or Damage to Equipment.** Once you have taken delivery of the Equipment, You are responsible for all loss, damage or destruction of the Equipment, including but not limited to risk/loss at Reel Men premises, to losses while in transit, while loading and unloading, while at any and all named and unnamed locations, while in storage and while on your premises. This responsibility shall not end until any Equipment that you have taken delivery of is returned during normal business hours. If equipment is returned after normal business hours, such as a vehicle returned in the yard or equipment returned in the after hours box, your responsibility for loss shall end once Reel Men next opens during normal business hours. If there is a reason to believe a theft has occurred, you shall file a police report. You shall not be responsible for damage to or loss of the Equipment caused by our sole negligence or willful misconduct. You shall not be responsible for damage or loss resulting from mechanical or structural defect or breakdown due to failure on our part to perform normal, routine or scheduled maintenance.

3. **Protection of Others.** You will take reasonable precautions in regard to the use of the Equipment to protect all persons and property from injury or damage. The Equipment shall be used only by your employees or agents qualified to use the Equipment. Equipment shall be used in strict accordance with all applicable laws, according to the standard operation procedures and only for the purpose of production contemplated.

4. **Sublease.** You warrant that you will not sub-rent or sublease any of the Equipment without our prior written consent.

5. **Equipment in Working Order /No Warranties.** We have tested the Equipment in accordance with reasonable industry standards and found it to be in working order immediately prior to the inception of this Agreement. Other than what is set forth herein, you acknowledge that the Equipment is rented/leased without warranty, or guarantee of any kind, express or implied, except as required by law or otherwise agreed upon by the parties in writing at the inception of this Agreement. We assume no liability for the performance or non-performance of the Equipment, irrespective of the cause. Without limiting the generality of the foregoing, you agree that we shall have no liability for consequential damages including, without limitation, loss of time or the need to reshoot or repair film or video footage.

6. **Inspection.** At all times during the equipment rental, Reel Men Rentals Inc. shall have the right to inspect and/or observe the use of rented equipment.

7. **Alterations.** Renter shall not make any alterations, additions or improvements to the equipment without the consent of Reel Men Rentals Inc., including but not limited to the removal of serial numbers and/or Reel Men logos.

8. **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 Equipment 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) mysterious disappearance (iv) loss of use of the Equipment for loss of use (v) theft from unattended vehicles. Coverage shall begin from the time you or your or agents pick up or begin prepping the Equipment at our place of business, or take delivery of the Equipment, whichever is applicable, and shall continue until the time the Equipment is returned to and accepted by us. 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 Equipment and shall cover all risks of loss of, or damage or destruction to the Equipment. *The Property Insurance coverage shall be sufficient to cover the Equipment at its replacement value but shall, in no event, be less than \$1,000,000.*

9. **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:

Automobile Liability: \$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 insured, the limits of which must be exhausted before any obligation arises under our insurance.

10. Workers Compensation Insurance. You shall, at your own expense, maintain worker's compensation/employer's liability insurances statutorily required during the course of the Equipment rental with minimum limits of \$1,000,000. In those circumstances where labor is supplied by Reel Men Rentals Inc. than those persons shall be considered either your employees or independent contractors.

11. 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 with respect to all insured, the limits of which must be exhausted before any obligation arises under our insurance. Such insurance shall remain in effect during the course of this Agreement, and shall include, without limitation, the following coverage which shall meet the following minimums:

Commercial General Liability: \$1,000,000 per occurrence & annual aggregate of \$2,000,000. Standard contractual liability, personal injury liability, completed operations, and product liability shall be included.

Aircraft Liability (if filming from an aircraft): \$5,000,000 per occurrence limit.

12. 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 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 you 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 Equipment rented/leased shall not affect your obligation to procure insurance on our behalf, or otherwise affect your obligations under this Agreement. Insurance shall be written by a reputable insurance company acceptable to Reel Men Rentals Inc.

13. Insurance Coverage for Sub-Contractors/Independent Contractors: Renter shall ensure any and all sub-contractors and/or independent contractors performing services under this Agreement meet the insurance requirements of this agreement by including all sub-contractors/independent contractors as "insured" under its policies.

14. 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.

15. Certificate of Insurance. Before obtaining possession of the Equipment you shall provide to us Certificates of Insurance confirming the coverage specified above. All certificates shall be signed by an authorized agent or representative of the insurance carrier. If for whatever reason you fail to provide us with an adequate insurance certificate, that failure does not relieve you of your other obligations under this agreement.

16. Drivers. Any and all drivers who drive the Vehicles you are renting/leasing from us shall be duly licensed, trained and qualified to drive vehicles of the type rented. Although we may, from time to time, recommend certain drivers with whom we are familiar, we do not supply drivers and make no warranty as to the licensing, training, or other qualifications of the driver. You must supply and employ any driver who drives the Vehicle (even if the driver is the registered owner of the vehicle or owner of a company that owns the vehicle) and that driver shall be deemed to be your employee for all purposes and shall be covered as an additional insured on all of your applicable insurance policies. Any drivers you provide will be deemed qualified to sign for Equipment received, if applicable.

17. Compliance With Law and Regulations. You agree to comply with the laws of all states in which the Equipment is transported and/or used as well as all federal and local laws, regulations, and ordinances pertaining to the transportation and use of such Equipment. Without limiting the generality of the foregoing and by way of example, you shall at all times (i) display all necessary and proper placards and markings; (ii) obtain all necessary permits and registrations; (iii) employ duly licensed, trained, and qualified drivers; (iv) ensure compliance with all DOT regulations including vehicle weight limits; and (v) keep all required logs and records. 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 Equipment including, without limitation, the full replacement value of the Equipment in the event of seizure or impound, including our reasonable costs and attorneys fees. You agree to operate vehicles inside the state of Arizona only ("intrastate commerce") and to not transport any hazardous materials. This lessor cooperates with all Federal, State, and local law enforcement officials nationwide to provide the identity of customers who operate this rental CMV.

18. Compensation for Loss and Damage. If equipment is lost or damaged, You shall be responsible to us for the new replacement cost value (including expedited shipping) or repair costs of the Equipment (if the Equipment can be restored, by repair, to its pre-loss

condition) - whichever is less. Our determination whether the damaged equipment shall be replaced or repaired shall be conclusive. Rental fees at the standard full daily rental rate per day for any lost, damaged or stolen equipment shall continue to accrue per day until we have received payment for such equipment. (In effect, the lost or damaged item has not been returned until receiving payment effectively "returns" the item.) Any such lost or damaged item shall be considered a Late Return for the period between the expected return date and when payment is received. Accrued rental charges shall not be applied against the purchase price or cost of repair of the lost, stolen or damaged Equipment.

19. **Subrogation.** You hereby agree that we shall be subrogated to any recovery rights you may have for damage to the Equipment rented/lease.

20. **Bailment.** This agreement constitutes an Agreement or bailment of the Equipment 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 Equipment, except the right to possession and use as provided for in this Agreement. We will at all times be the sole owner of the property.

21. **Expenses.** You will be responsible for all expenses, including but not limited to fuel, lubricants, and all other charges in connection with the operation of the Equipment.

22. **Condition of Equipment.** You assume all obligation and liability with respect to the possession of Equipment, 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 the Equipment in good mechanical condition and running order, allowing for reasonable wear and tear. The rent on any of the Equipment will not be prorated or abated while the Equipment 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 Equipment, except as otherwise specially agreed or as may be within the course and scope of employment by you. All installations, replacements, and substitutions of parts or accessories with respect to any of the Equipment will become part of the Equipment and will be owned by us.

23. **Pre-Production Prepping of the Equipment:** You will have the opportunity to prep the equipment at our rental facility, on location, or at another place. You are considered to have taken delivery of the equipment once the "prepping" has begun, regardless if this is done on our premises. You are also responsible for any damage you cause to the equipment, premises or persons as a result of your activity.

24. **Transportation of Equipment:** You are responsible for the transportation of equipment to and/or from any location. You are responsible for all costs (transportation charges, taxes, duties, broken fees, bonds, insurance and any other costs) incurred during transit. Reel Men Rentals Inc. will not accept collect shipments from you.

25. **Key Receipt:** If you are renting one or more vehicles or utilizing our after hours drop box, you are considered to have taken delivery of the equipment (including contents loaded by us on the vehicle) once you or your agent receives keys or receives a lockbox combination to pick up keys at a later date.

26. **Accident Reports.** If any of the Equipment 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 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 its agents in connection with any claim or proceeding at law or in equity begun or threatened against you, us, or both of us.

27. **Return.** Upon the expiration date of this Agreement with respect to any or all Equipment, you will return the property to us, together with all accessories, free from all damage and in the same condition and appearance as when received by you, allowing for ordinary wear and tear.

28. **Additional Equipment.** Additional Equipment may from time to time be added as the subject matter of this Agreement as agreed on by the parties.

29. **Entire Agreement.** 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. 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. All amendments to this agreement 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.

30. **Counterparts and Facsimile Signatures.** This agreement may be executed simultaneously or in two or more counterparts each of which shall be deemed an original and all of which shall taken together shall constitute one in the same instrument.

31. **This agreement shall remain in effect until canceled by mutual consent of both parties.**

32. **Applicable Law.** This Agreement will be deemed to be executed and delivered in the State of Arizona and to venue in Maricopa County, Arizona. This Agreement shall be governed by the laws of the State of Arizona.

33. **Collection and Arbitration.** Invoices are payable upon receipt of invoice unless a different payment method is agreed upon in writing. Payments not received within thirty (30) days of invoice shall be considered past due and late charges and finance charges of 2% of the open balance per month may be assessed. Any and all discounts (including weekly and monthly rental discounts) applied to invoices shall no longer apply once an invoice becomes past due, and charges may be recomputed using our then current daily rental rates. You agree to pay attorneys' fees and collection costs in the event it is deemed necessary by us to pursue collection of past due accounts through a collection agency or by an attorney. This includes efforts to collect on equipment losses. Any controversy or claim, including any claim of misrepresentation, arising out of or related to this Agreement or breach of this Agreement will be settled by arbitration, in Maricopa County, Arizona. The arbitration will be conducted by a single arbitrator under jurisdiction of and the then-current rules of the American Arbitration Association. 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 attorneys fees and costs in addition to any other relief granted.

34. **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.

35. THE OWNER DOES NOT EXTEND ANY OF ITS MOTOR VEHICLE FINANCIAL RESPONSIBILITY OR PROVIDE PUBLIC LIABILITY INSURANCE COVERAGE TO THE RENTER, AUTHORIZED DRIVERS OR ANY OTHER DRIVER.

36. **Late Returns.** Any equipment not returned by the expected due date shall be considered a Late Return. Rental fees at the normal full daily rental rate per day shall continue to accrue per day until said equipment has been returned. No discounts shall apply to Late Returns. Returning equipment late can create problems for future rental orders reservations. When an item is not returned on time, we must stop accepting new reservations for that item since the return time is unknown, and may be forced to cancel, alter, or incur subrental costs for existing reservations. Furthermore, since our orders typically consist of a collection of items being used together, an unplanned late return can have a cascading effect on our ability to book entire orders in the future. Therefore, a single late return item can create lost revenues many times the amount of a single late item. Since it can be extremely difficult to document missed rental revenue, and due to the additional administrative time, unknown subrental costs, and loss of negotiating leverage and goodwill involved with dealing with situations created by late returns, parties agree that a surcharge of 25% of the full daily rental amount for Late Return items shall be charged per day as fair compensation for this lost revenue and additional administrative costs.

37. **Cancellation of Reservations.** A non-refundable security deposit may be required in order to reserve certain dates or based on the parameters of a particular project. The nonrefundable security deposit functions as an "advance" and will be applied against any charges incurred under the Agreement (e.g. Daily Rental Rate, Changes, Damages, etc). If the reservation is canceled, this security deposit is not refundable.

38. **LESSEE/RENTER AGREES TO THE ABOVE TERMS AND CONDITIONS AS LISTED I ITEMS 1 THROUGH 37, and is liable for the equipment and vehicles from the time delivery is accepted at Reel Men premises until the time they are returned to Reel Men and are signed back in.**

AUTHORIZED REPRESENTATIVE:

COMPANY NAME:

ADDRESS:

PRINT YOUR NAME:

TITLE:

PHONE NUMBER:

EMAIL:

SIGNATURE:

DATE: