

CRZY STUDIO LIGHTING
AGREEMENT CONTRACT TERMS & CONDITIONS
Equipment and Vehicles

Please Read Carefully. Lessee is liable for Lessor's Equipment and Vehicles from time they leave Lessor's Premise until the time they are returned to Lessor and Lessor signs for them.

- 1. INDEMNITY.** _____ (“Lessee”) agrees to defend, indemnify, and hold CRZY Studio Lighting (“Lessor”) 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 outside attorneys’ fees (“Claims”), in any way arising from, or in connection with the equipment and vehicles rented/leased (which equipment and vehicles, 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 the Equipment leaves Lessor’s place of business until the Equipment is returned to Lessor. Lessee is responsible for loss, damage, or destruction of the Equipment, 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 Lessee’s premises, except as follows:

 - a. Lessee shall not be responsible for damage to or loss of the Equipment caused by Lessor’s sole negligence or willful misconduct;
 - b. Lessee shall not be responsible for damage or loss resulting from normal wear and tear, mechanical or structural defect or breakdown due to failure on Lessor’s part to perform normal, routine, or scheduled maintenance.
- 2. PROTECTION OF OTHERS.** Lessee 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 its employees or agents qualified to use the Equipment.
- 3. EQUIPMENT IN GOOD WORKING ORDER.** Lessor has 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, and to the extent Lessee has disclosed to Lessor all of the intended uses of the Equipment, it is fit for its intended purpose. Other than what is set forth herein, Lessee acknowledges that the Equipment is rented/leased without warranty, or guarantee, except as required by law or otherwise stated in this Agreement.
- 4. PROPERTY INSURANCE.** Lessee shall, at its 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”; or (iii) loss of use of the Equipment. Coverage shall begin from the time Lessee or its agents pick the Equipment up at Lessor’s 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 Lessor. The Property Insurance shall be on a worldwide basis, shall name Lessor 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. For feature films, property insurance coverage shall be no less than the total replacement cost for all Equipment, generators, and vehicles leased.

- 5. VEHICLE INSURANCE.** Lessee shall, at its own expense, maintain business motor vehicle liability insurance (“Vehicle Insurance”), including coverage for loading and unloading the 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. Lessor 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 Lessor’s insurance.
- 6. WORKERS COMPENSATION INSURANCE.** Lessee shall, at its own expense, maintain worker’s compensation/employer’s liability insurance during the course of the Equipment rental with minimum limits of \$1,000,000.
- 7. LIABILITY INSURANCE.** Lessee shall, at its 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 Lessor as an additional insured and provide that said insurance is primary coverage with respect to all insureds, the limits of which must be exhausted before any obligation arises under Lessor’s insurance. 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 and excess insurance coverage of no less than \$5,000,000.
- 8. INSURANCE GENERALLY.** All insurance maintained by Lessee pursuant to the foregoing provisions shall contain a waiver of subrogation rights in respect of any liability imposed by this Agreement on Lessee as against Lessor. Lessee shall hold Lessor 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, Lessee shall promptly pay the deductible amount or self-insured retention or the applicable portion thereof to Lessor 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 Lessee under this Agreement or, if covered, is subject to deductibles, retentions, conditions, or limitations, shall not affect Lessee’s liability for any loss. Should Lessee fail to procure or pay the cost of maintaining in force the insurance specified herein, or to provide Lessor upon request with satisfactory evidence of the insurance, Lessor may, but shall not be obligated to, procure the insurance and Lessee shall reimburse Lessor 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 Lessee of a sublease of the Equipment rented/leased shall not affect Lessee’s obligations to procure insurance on Lessor’s behalf, or otherwise affect Lessee’s obligations under this Agreement.
- 9. CANCELLATION OF INSURANCE.** Lessee and its insurance company shall provide Lessor with no less than 30 days written notice prior to the effective date of any cancellation or material change to any insurance maintained by Lessee pursuant to the foregoing provisions.
- 10. CERTIFICATE OF INSURANCE.** Before obtaining possession of the Equipment, Lessee shall provide to Lessor Certificates of Insurance confirming the coverages specified above. Lessor shall be named an additional insured and loss payee on such policy or policies. All certificates shall be signed by an authorized agent or representative of the insurance carrier.

- 11. DRIVERS.** Any and all drivers who drive the Vehicles Lessee is renting/leasing from Lessor shall be duly licensed, trained, and qualified to drive vehicles of this type. Although Lessor may, from time to time, recommend certain qualified drivers with whom Lessor is familiar, Lessor does not supply drivers. Lessee must supply and employ any driver who drives the Vehicles (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 Lessee's employee for all purposes and shall be covered as an additional insured on all of Lessee's applicable insurance policies.
- 12. COMPLIANCE WITH LAW.** Lessee hereby agrees 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.
- 13. VALUATION OF LOSS.** Unless otherwise agreed in writing, Lessee shall be responsible to Lessor for the replacement cost value or repair costs of the Equipment (if the Equipment can be restored, by repair, to its pre-loss condition) whichever is less. If there is a reason to believe a theft has occurred, Lessee shall file a police report. Loss of use shall be determined by the actual loss sustained by Lessor. Accrued rental charges shall not be applied against the purchase price or cost of repair of the lost, stolen, or damaged Equipment.
- 14. SUBROGATION.** Lessee hereby agrees that Lessor shall be subrogated to any recovery rights Lessee may have for damage to the Equipment rented/leased.
- 15. BAILMENT.** This Agreement constitutes an Agreement or bailment of the Equipment and is not a sale or the creation of a security interest. Lessee 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. Lessor is the sole owner of the Equipment.
- 16. IDENTITY.** Lessor has the right to place and maintain all warnings and instructional signs on the exterior or interior of each piece of Equipment covered by this Agreement. Lessee will not remove, obscure, or deface the inscription or nameplate on the Equipment showing Lessor's name and identification or that of the manufacturer or permit any other person to do so.
- 17. EXPENSES.** Lessee 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.
- 18. CONDITION OF EQUIPMENT.** Lessee assumes 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. Lessor will, at its 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 Lessee is liable. Lessor will not be under any liability or obligation in any manner to provide service, maintenance, repairs, or parts for the Equipment, except as otherwise specifically agreed or as may be within the course and scope of employment by Lessee. All installations, replacements, and substitutions of parts or accessories with respect to any of the Equipment will become part of the Equipment and will owned by Lessor.
- 19. RIGHT TO POSSESSION.** Lessee will be entitled to the absolute right to the use, operation, possession, and control of the Equipment during the term of this Agreement, provided Lessee is not in default of any provision of this Agreement or subject to any security interest Lessor may have given or may give to any third party during the term of this Agreement. Lessee will employ and have exclusive control, supervision, and responsibility over any operators or users of the Equipment, except when such operator or user of the Equipment is Lessor.

- 20. USE.** Lessee will use the Equipment in a careful and proper manner and will not permit any of the Equipment to be operated or used in violation of any applicable federal, state, or local statute, ordinance, rule, or regulation relating to the possession, use, or maintenance of the Equipment. Lessee agrees to reimburse Lessor in full for all damage to the Equipment arising from any misuse or negligent act by Lessee, its employees or agents, and third parties. Lessee will indemnify and hold Lessor harmless from any liabilities, fines, forfeitures, or penalties, including Lessor's reasonable costs and attorneys' fees for violations of any federal, state, or local statute, rule or regulation. Lessee agrees not to remove the Equipment from the state in which the Equipment was leased without specific written approval by Lessor. In no event, may the Equipment be removed from the territory of the United States.
- 21. 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, Lessee will promptly notify Lessor of the occurrence, and will file all necessary accident reports, including those required by law and those required by applicable insurers. Lessee, its employees, and agents will cooperate fully with Lessor and all insurers providing insurance under this Agreement in the investigation and defense of any claims. Lessee will promptly deliver to Lessor any documents served or delivered to Lessee, its employees, or its agents in connection with any claim or proceeding at law or in equity begun or threatened against Lessee, Lessor, or both.
- 22. CANCELLATION:** In the event of cancellation, charges may apply in consideration of Lessor's preparing, holding in reserve, or sub-renting equipment on Lessee's behalf. Lessor shall be entitled to compensation for any losses sustained because of full or partial cancellation of order. Cancellation is subject to payment of the first-day rental or forfeiture of deposit, whichever is greater.
- 23. DEFAULT.** At Lessor's option, Lessor may, by written notice to Lessee declare Lessee in default on the occurrence of any of the following:
- a. Failure by Lessee to make payments or perform any of its obligations under this Agreement;
 - b. Institution by or against Lessee of any proceedings in bankruptcy or insolvency, or Lessee's reorganization under any law, or the appointment of a receiver or trustee for Lessee's goods and chattels or any assignment by Lessee for the benefit of creditors;
 - c. Expiration or cancellation of any insurance policy to be paid for by Lessee as provided for under the terms of this Agreement;
 - d. Involuntary transfer of Lessee's interest in this Agreement by operation of law; or
 - e. Destruction or removal of the Equipment from the state in which the Equipment was leased, unless Lessee had specific written permission to transport the Equipment to a specific state.

After Lessee's default, and on notice from Lessor that Lessee is in default, Lessor will have the following options:

- a. To terminate the Agreement and Lessee's rights under the Agreement;
- b. To declare the balance of all unpaid rent and all other charges of any kind required of Lessee under the Agreement to be payable immediately, in which event Lessor will be entitled to the balance due together with interest at the rate of ten percent per annum, from five business days after the date of notification of default to the date of payment;

- c. To repossess the Equipment without legal process free of all of Lessee's rights to the Equipment. Lessee authorizes Lessor or Lessor's agent to enter on any premises where the Equipment is located and repossess and remove it. Lessee specifically waives any right of action Lessee might otherwise have arising out of the entry and repossession, and releases Lessor of any claim for trespass or damage caused by reason of the entry, repossession, or removal;
- d. Removal of any discounts provided to Lessee by Lessor.

After default, Lessee will reimburse Lessor for all reasonable expenses of repossession and enforcement of Lessor's rights and remedies, together with interest at the rate of ten percent per annum from the date of default. Notwithstanding any other provisions of this Agreement, if Lessor places all or any part of Lessor's claim against Lessee in the hands of an attorney for collection, the prevailing party will pay, in addition to other sums that may be awarded, the other party's reasonable attorney's fees and costs.

Lessor's remedies will be cumulative to the extent permitted by law, and may be exercised partially, concurrently, or separately. The exercise of one remedy will not be deemed to preclude the exercise of any other remedy.

- 24. NO ENCUMBRANCE.** Lessee will not pledge, encumber, create a security interest in, or permit any lien to become effective on any of the Equipment. If any of these events take place, Lessee will be deemed to be in default, at Lessor's option. Lessee will promptly notify Lessor of any liens or encumbrances of which Lessee has knowledge. Lessee will promptly pay or satisfy any obligation from which any lien or encumbrance arises, and will otherwise keep the Equipment and all title and interest free of any liens and encumbrances. Lessee will deliver to Lessor appropriate satisfactions, waivers, and evidence of payment.
- 25. NO ASSIGNMENT OR SUBLEASE.** Lessee will not sublease the Equipment or enter into any assignment of the subject Lease. Any attempt to assign the Lease or sublease the Equipment is hereby deemed void. Lessee must seek specific written permission to assign or sublease Equipment.
- 26. DELIVERY and RETURN:** For purposes of this Agreement, Lessee shall be deemed to have taken "delivery" of the Equipment from the time the Equipment is set aside from Lessor's general inventory for Lessee's use. Upon the expiration date or early termination of this Agreement with respect to any or all Equipment, Lessee will return the Equipment to Lessor, together with all accessories, free from all damage and in the same condition and appearance as when received by Lessee, allowing for ordinary wear and tear. Lessee shall be deemed to have "returned" the Equipment only at such time as Lessee shall have returned the Equipment to Lessor's shipping department during Lessor's regular business hours and after Lessor shall have accepted the same. "Acceptance" by Lessor shall mean that Lessor shall have unpacked the Equipment from its shipping container, examined it for damages and individually bar code scanned the Equipment into Lessor's computerized system as "returned". The acceptance of the returned Equipment is not a waiver by the Lessor of any claims Lessor may have against Lessee, nor a waiver of claims for latent or after discovered damage to the Equipment.
- 27. STANDARD OPERATING HOURS.** Lessor's standard operating hours are 8:00 AM to 6:00 PM, Monday through Friday, excluding national holidays. Lessee shall be billed for production-related afterhours/weekend work in accord with Lessor's current rate card. Main Equipment load-ins and load-outs are exempted.

- 28. TRANSPORT and SHIPMENT:** In the event the Equipment rented by Lessee is transported or shipped, whether from Lessor to Lessee, or to any third party or location, or upon its return to Lessor, or at any time between “delivery” and “return” of the Equipment as those terms are defined in Section 27 of this Agreement, the risk of loss during that transport and shipment shall be solely Lessee’s. Lessee, at Lessee’s option, shall be entitled to select its own shipper or transport service and shall notify Lessor of that selected shipper or transport service at the time the rental order is placed. If Lessee declines to make such election, and requests transport by a shipper or transport service selected by Lessor, then Lessee shall still remain solely responsible for risk of loss during that transport or shipment and shall continue to maintain insurance on the Equipment as provided herein. Lessor shall bear risk of loss during transport or shipment only during times when Lessor’s own employees are directly handling the transport or shipment.
- 29. SHIPPING OF SPECIALTY EQUIPMENT.** Lessee shall pay shipping costs for Specialty Equipment. Prior to shipping Specialty Equipment, Lessee shall issue a specific purchase order for shipping costs of the Specialty Equipment before shipment is placed by Lessor.
- 30. NOTICES.** Except as otherwise expressly provided by law, any notices or other communications required or permitted by this Agreement or by law to be served on or given to either party by the other party will be in writing and will be deemed duly served or given when personally delivered to the party to whom they are directed, or in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Lessee at _____, to Lessor at CRZY Studio Lighting, 520 E Broadway Ste 202A, Glendale, CA 91205. Either party may change its address for the purpose of this provision by giving written notice of the change to the other party in the manner provided in this provision.
- 31. ADDITIONAL EQUIPMENT.** Additional Equipment may from time to time be added as the subject matter of this Agreement, as agreed on by the parties. Any additional Equipment will be added in an amendment describing the Equipment, the monthly rental, security deposit, and stipulated loss value of the additional Equipment. 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.
- 32. ENTIRE AGREEMENT.** This Agreement and any attached orders 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.
- 33. 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.
- 34. WAIVER OF JURY TRIAL.** The parties to this Agreement hereby agree to a court (“Bench”) trial and waive a jury trial in the event that there is litigation between the parties. The jurisdiction and venue of any dispute will be in Los Angeles County, North Central District, State of California.
- 35. 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.

By signing, LESSOR and LESSEE agree to the above terms and conditions. Each warrants to the other that the person signing below has full authority to enter into this Agreement and/or sign this Agreement on behalf of a corporate or like business entity.

DATE

AUTHORIZED REPRESENTATIVE OF
LESSEE'S SIGNATURE

AUTHORIZED REPRESENTATIVE OF
LESSOR'S SIGNATURE

PLEASE TYPE OR PRINT NAME AND TITLE

PLEASE TYPE OR PRINT NAME AND TITLE