Target Props, LLC
119 E. Graham Place
Burbank, CA 91502

PROP RENTAL AGREEMENT TERMS AND CONDITIONS

The following terms and conditions apply to all prop rentals by **TARGET PROPS LLC** ,(hereinafter referred to as "Lessor"), and _____ (hereinafter referred to as "Lessee") with respect to each and all of the props listed on the Rental Order attached hereto (collectively referred to hereinafter as the "Props").

1. **Representations, Warranties and Agreements:** Customer has selected the Equipment without relying upon any suggestion or recommendations of Target Props and Customer understands and agrees that Target Props assumes no responsibility for the Equipment as being fit for any particular purpose. Customer agrees that the Equipment was selected by it. Target Props represents and warrants as follows: (1) the Equipment is free from known defects and is in good working order to the best of their knowledge at the inception of the rental; (2) Target Props is responsible for routine repair and maintenance of the Equipment prior to rental; (3) (if applicable) all services provided by Target Props will be performed in a professional and competent manner; (4) Target Props has the right to enter into the rental of the Equipment and (5) Target Props has complied and will continue to comply with all applicable federal, state and local laws, rules, regulations, ordinances, licensing requirements and business codes, as well as applicable manufacturer's specifications. Customer agrees as follows: (a) except as set forth in Target Props representations and warranties above, the Equipment is rented to Customer without any warranty or guaranty of any kind, express or implied, and specifically, there is no warranty of merchantability or fitness for a particular purpose; (b) Target Props shall not be held responsible with respect to production downtime, loss of profits, extra expense, indirect damages, production delays; and (c) except as set forth in Target Props representations and warranties above, Customer is responsible for all costs associated with any repair or replacement (without deduction for depreciation) of the Equipment necessitated as a result of Customer's usage, possession, transportation or failure to return the Equipment for any reason, including, without limitation, as a result of the negligence or willful misconduct of Customer, its employees, agents, or contractors. Customer represents, warrants and agrees that Customer has complied and will continue to comply with all applicable federal, state and local laws, rules, regulations, ordinances, licensing requirements and business codes, and manufacturer's recommendations as to the safe use of the equipment.

2. **Testing:** Customer acknowledges that its representative has inspected and tested all Equipment at the time of rental and that all Equipment is in good and working order and acceptable to Customer.

3. **Non-Working Equipment:** Customer shall notify Target Props immediately of any malfunction and/or alleged damage of any Equipment. In the event Equipment is not functioning and/or damaged other than as a result of Customer's negligence or willful acts, Customer shall have the option of accepting other like equipment in exchange for such non- working Equipment or returning all Equipment and canceling this agreement should Target Props not be able to provide substitute Equipment in a timely fashion. The rental charges for all such non-working Equipment so returned to Target Props shall be abated from the time of acceptance and return to Target Props. Likewise, rental charges shall accrue and be owed for any replacement Equipment.

4. **Technician/Operation:** Customer shall only allow the Equipment to be used by qualified technicians and/or, if licensing is required by law for the use of any Equipment, duly licensed personnel, and only in strict accordance with the instructions of the Equipment manufacturer. Such qualified or licensed technicians and personnel should know all the proper protocols to safeguard the public, data and equipment, and should be competent with regard to the normal operation of the Equipment. Customer shall keep the Equipment in their sole custody and shall not permit the Equipment to be used in violation of law. customer shall process and or view their footage and back-up their content or data in a timely manner.

5. **Risk of Loss:** Customer assumes all risk of loss whether or not covered by Customer's insurance coverage, except to the extent of any loss arising from the negligence or willful misconduct of Target Props, its employees, agents, or contractors. Customer is deemed to have taken constructive possession of the Equipment the moment Equipment is in Customer's custody and control (i.e. Customer has picked up the Equipment from Target Props and/or Target Props has delivered the Equipment to Customer). In addition, if Target Props ships the Equipment at Customer's request, Customer shall be responsible for both the risk of loss in transit and the transportation costs. Customer's responsibility shall include, but not be limited to, risks while in transit by any means (other than transit supplied by Target Props), at all locations named and unnamed, at all studios, while on Customer's premises, and while in Customer's use. Customer is responsible for picking up and returning the Equipment to/from the rental facility during normal business hours. If Target Props delivers and/or picks up the Equipment, Target Props will be responsible for the risk of loss in transit while the Equipment is in the custody of Target Props and Customer will be responsible for transportation costs.

6. **Storage:** Customer bears the risk of loss for all property not provided by Target Props (including but not limited to camera(s), props, sets, and wardrobe) stored and/or transported by Target Props for Customer's ultimate use. Target Props shall be acting as the agent of Customer in storing and/or transporting property which belongs to third parties.

7. **Insurance:** Customer shall at its expense, and at all times during the rental, maintain in full force and effect a limit of insurance covering all Equipment and/or Vehicles rented hereunder, from all sources, as herein provided. All Equipment shall be insured for the full replacement cost without deduction for depreciation. All Vehicles shall be insured at actual cash value. In addition, all Equipment and Vehicles shall be insured for actual verifiable loss of use of the Equipment or Vehicles (i.e. rental charges based on the greater of either the actual verifiable loss of business or the average rental history of the Equipment or Vehicles, as computed for the period of time the Equipment or Vehicle(s) is being repaired and/or replaced not to exceed 90 days). Customer shall deliver to Target Props evidence of Customer's insurance coverage prior to Customer taking either constructive or actual possession of the Equipment and/or Vehicle(s). Customer will forward a Certificate of Insurance evidencing Customer's liability, automobile, property and worker's compensation insurance with a reputable insurance carrier acceptable to Target Props that complies with coverage requirements as enumerated within this rental agreement.

a. Property Insurance: Customer's insurance shall be on a worldwide, replacement cost basis without deduction for depreciation, shall name Target Props as Loss Payee for loss or damage to the property rented; shall cover "All Risk" of loss or damage to Equipment; shall include the perils "Comprehensive" and "Collision" for Vehicle physical damage coverage; and shall provide for 10 days written notice to Target Props before any policy shall be modified or cancelled. In determining whether the Equipment (not including Vehicles) shall be repaired or replaced, the manufacturer's judgment shall be conclusive upon both parties. Limits shall be sufficient to encompass all property at risk, regardless of source, but in no event less than $1,000,000. Target Props will not accept insurance covering the equipment that contains a theft exclusion from unattended vehicle(s).

b. Liability Insurance: Customer shall name Target Props as an additional insured on their liability insurance. Customer's liability insurance shall meet the following minimum limits: Commercial General Liability $1,000,000 per occurrence and annual aggregate; Automobile Liability (including non-owned and hired automobiles) $1,000,000 combined single limit; Umbrella Liability in the amount $2,000,000 per occurrence and annual aggregate; Foreign Liability, if filming outside of the United States and Canada, $1,000,000 per occurrence; Aircraft Liability, if filming from any aircraft, $5,000,000; Watercraft Liability, if filming from any watercraft, $5,000,000 (Note rented Vehicle(s) will only be driven by licensed driver(s) employed by Customer). IF VEHICLE IS PROVIDED WITH A DRIVER EMPLOYED BY THE RENTAL COMPANY THE RENTAL COMPANY WILL PROVIDE THE PRIMARY AUTOMOBILE LIABILITY INSURANCE ON THE VEHICLE AND PROOF OF WORKER'S COMPENSATION INSURANCE.

c. Rental Company Insurance: Target Props will maintain their own insurance program consisting of not less than: Commercial General Liability $1,000,000 per occurrence and annual aggregate; Automobile Liability (including owned, non-owned and hired vehicles) $1,000,000 combined single limit; Umbrella Liability in the amount $2,000,000 per occurrence and annual aggregate, Miscellaneous Equipment and

Worker's Compensation and Employer's Liability in an amount not less than $1,000,000 Covering Claims arising out of the operations of Target Props. Target Props will provide Customer evidence of the coverage enumerated herein upon their request with an insurance carrier acceptable to the Customer.

d. Primary Coverage: Customer's property, automobile and liability coverage is the primary coverage for Equipment and/or Vehicle(s) and said coverage must be issued on a non-contributory basis. Furthermore, customer's insurance carrier shall agree that the rights of Target Props under Customer's insurance policy shall not be affected by any unintentional act, neglect or breach of condition by Customer, other than non-payment of premium. Customer shall remain primarily liable to Target Props for full performance under the terms and conditions of this rental agreement in the event of a dispute with their insurance carrier and for uninsured losses. Lapse or cancellation of Customer's insurance, as required by this agreement, shall allow Target Props to immediately and automatically terminate this agreement, at its option.

8. **Missing and Damage:** Target Props shall provide Customer (with a copy to the accounting department of Customer and another department or person if otherwise designated) with a list of missing and damaged Equipment, if any, within three business days after the Equipment has been returned to Target Props. Target Props upon receipt of the compilation of the repair or replacement cost estimates will forward these estimates to Customer. Customer shall have the option of making arrangements with Target Props to have their crew member(s) verify the Equipment physically returned to Target Props at a time that is mutually agreeable within the first day of return.

9. **Clearing of Data:** Customer is responsible for clearing any and all images (in any form) prior to the return of the Equipment to Target Props, and Customer authorizes Target Props to clear the Equipment of any and all images, content or data immediately upon return of the Equipment to Target Props. It shall be the sole responsibility and obligation of Customer to arrange for the safeguarding and storage of Customer's images, content or data prior to the return of the Equipment to Target Props.

10. **Title:** Customer specifically acknowledges Target Props superior title and ownership of the Equipment and must keep the Equipment free of all liens, levies and encumbrances except those caused by or resulting from Target Props acts. Customer may not assign or pledge the Equipment.

11. **Default:** In the event that Customer (a) fails to make payment when due hereunder, (b) fails to obtain or maintain the insurance required under Section 7 above throughout the rental term, or (c) becomes insolvent, files a petition in bankruptcy, seeks the appointment of a receiver (or has a receiver appointed) for all or a substantial portion of its property, or has an involuntary petition in bankruptcy filed against it, Customer shall be in default hereunder. Upon such default, Target Props may, in its sole discretion, terminate this rental agreement and, and to the extent permitted by law, immediately repossess the Equipment without any prior notice to Customer, the receiver, bankruptcy trustee, assignee for the benefit of the creditors, or levying officer. Customer hereby grants to Target Props the right and permission to lawfully enter the Customer's premises where the Equipment is kept following any such default for the purpose of repossessing the Equipment without liability of trespass or any liability for any damage that might occur as a result of such entry.

12. **Indemnity:** Customer agrees to indemnify, defend and hold harmless Target Props and its officers, employees, agents and licensees against any and all claims, actions, damages, liabilities and expenses arising from the use, possession or operation of the Equipment and by whomsoever operated at the direction of the Customer, Customer's breach of any representations or warranties made herein, or from the negligence or willful conduct of Customer, its employees, agents or contractors. This indemnification shall survive the term of the rental agreement. Target Props agrees to indemnify, defend and hold harmless Customer and its officers, employees, agents and licensees solely as respects bodily injury and property damage claims, actions, damages, liabilities and expenses arising from Target Props negligence or willful misconduct of Target Props, or that of Target Props employees, agents, or contractors, Target Props not having the right to rent the Equipment or Target Props failure to maintain insurance enumerated in 7c above. This indemnification shall survive the term of the rental agreement.

13. **Entire Agreement:** Customer agrees that they have read and fully understand and accept all provisions of this agreement prior to executing this agreement. The signed Rental Contract together with these Terms and

Conditions constitute the entire agreement between Target Props and _____. In the event of conflict between any terms or provisions of the Rental Contract and these Terms and Conditions, the terms and provisions of these Terms and Conditions shall govern and control. Any changes must be made in writing and signed by both parties. If Customer is a corporation or other entity, the person executing the Rental Contract represents and warrants that he/she has full power and authority to execute the Rental Contract on behalf of the entity and bind such entity to the agreements, terms and conditions hereof. Customer acknowledges that a photocopy or electronic version of this document shall constitute the same consent as an original.

14. **Governing Law:** This rental agreement has been entered into in the State of California and shall be governed by laws of the State of California, without reference to any conflicts of law principles. Customer and Target Props agree to the State of California having the sole jurisdiction to govern any and all disputes arising between Customer and Target Props as respects the rental of Equipment. If any portion of this agreement is found to be invalid, unenforceable, waived or otherwise deficient, it shall be severable from the remaining provisions and all other provisions shall remain in full force and effect.

15. **Definitions:** As used in the Rental Contract and these Terms and Conditions, the following terms have the following meanings: "Customer" shall mean the entities and/or individuals so identified on page 1 of the Rental Contract; "Equipment" shall mean all equipment and/or vehicle(s) so listed in the Rental Contract; "Rental Company" shall mean the entities and/ or individuals so identified on page 1 of the Rental Contract; and, "Vehicle" shall mean those motorized and other means of conveyance so listed in the Rental Contract.

LESSEE HEREBY ACKNOWLEDGES AND AGREES TO THE TERMS AND CONDITIONS SET FORTH ABOVE

LESSEE _____
Lessee's Authorized Representative:

Signature/Print _____

Date _____

LESSOR TARGET PROPS LLC
Lessor's Representative:

Signature/Print _____

Date _____