Kendalls Studio Rentals
10611 Sherman Place
Sun Valley CA 91352
747-400-2326
sales@kendalls.com

LEASE / RENTAL AGREEMENT TERMS & CONDITIONS

The following terms and conditions apply to all set dressing/prop rentals by KENDALLFAETH, Inc. DBA Kendalls Studio Rentals, and the Lessee identified on the Rental Order Estimate attached hereto (hereinafter referred to as "Lessee") with respect to each and all of the props listed on the Rental Order Estimate attached hereto (collectively referred to hereinafter as the "Props").

1. Rental Agreement. These terms and conditions, and the purchase order and any addenda attached hereto, constitute a Rental Agreement (hereinafter, the "Agreement") or bailment of the Props 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 Props, except the right to possession and use as provided for herein. Lessor will at all times be the sole owner of the Props (or the authorized agent for the owner).

2. Weekly Rentals. Our props are rented and invoiced on a weekly basis. The rental period begins on the day of pick-up and continues for seven (7) days. At the end of the seventh day, one extra "grace" day is allowed to return your props. For instance, if you pick up an order on Tuesday, the props are due back on the following Monday. The following Tuesday would be considered your "grace" day. If the props were not returned by 5 p.m. on Tuesday, you would then be charged for an additional week. Additional weeks are billed at the rate of fifty percent (50%) of the first week rental.

3. Production Rentals. We offer production rental discounts to qualified customers, but they are not automatic. They must be established at the time the order is placed. Production rental discounts run as follows:

First Week	Full Price
Second Week	50% discount of the first week
Third Week	50% discount of the first week
Fourth Week	50% discount of the first week
Fifth Week	50% discount of the first week
Sixth Week	50% discount of the first week
Seventh Week	50% discount of the first week
Eighth Week	50% discount of the first week

Production discounts longer than 8 weeks continue on a recurring Fifth – Eighth week schedule. PLEASE NOTE: (a) Orders, or partial orders, returned after the production rental time period expires accrue weekly at 50% (Fifty percent) of the first week rental rate. Free weeks are NOT available. (b) Production rentals are billed in full during the first week of rental. Failure to pay in full within the terms associated with your account type will result in the loss of any free weeks, in addition to any late payment charges or fees, as agreed upon on your account application form. (c) Props that are returned early are done so with the full understanding that no "credit" will be given.

4. Risk of Loss. Lessee shall bear the entire risk of loss, damage, destruction, theft, requisition of title, confiscation, or taking (referred to herein as a "Property Loss") of the Props from the time the Props are placed in transit for shipping to Lessee until the Props are returned to and accepted by Lessor, except in the event of a Property Loss arising from Lessor's sole negligence or willful misconduct. In the event of a Property Loss, Lessee shall pay the cost to repair the Props to their original condition (by Lessor or a third party approved by Lessor), or to replace the Props, whichever is less. Addendum "A" attached hereto provides a list of Props for which the replacement value is specified, agreed, and incorporated herein. A cash discount may be offered (per Lessor's discretion for immediate payment of any Loss and/or Damage charges. No discounts will be given to repair or replacement cost if Lessee choses to file an insurance claim. Lessee is also responsible for loss of use of the Props and Lessee shall fully compensate Lessor for such loss of use during the time the Props are being repaired or replaced, as applicable. Accrued rental charges shall not be applied against the purchase price or cost of repair of any Props involved in a Property Loss. Lessor will, in no event, be liable for any consequential, special or incidental damages.

5. Inspection and Modifications. Lessee acknowledges that the Props are rented/leased without warranty, or guarantee, except as required by law. Lessee 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. Lessee's use of any Props shall constitute an acknowledgement by Lessee that such Props are in good working order and safe, and Lessee assumes all risk of liability resulting from any malfunctioning or otherwise unsafe Props. In the event that Lessee causes any modification of any Prop in any manner whatsoever, Lessee shall be responsible for all liability which may arise in connection with the modification of such Props. Lessee shall not modify any Props without Lessor's prior written consent, and Lessee shall restore any modified Props to their original condition prior to the return of such Props to Lessor. Lessee shall be responsible for the cost, as determined by Lessor, to repair or replace any modified Props to their original condition.

6. Disclaimer of Limited Warranties. Lessee hereby acknowledges that the Props are rented "as is" and "with all faults." Lessor makes no warranty, and specifically disclaims 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.

7. Indemnity. Lessee agrees to defend, indemnify, and hold Lessor harmless from and against any and all claims, actions, causes of action, demands, rights, damages of any kind, costs, expenses and compensation whatsoever including court costs and reasonable outside attorneys' fees ("Claims"), arising from or imposed with or without Lessor's fault or negligence or under the doctrine of strict liability (collectively, "Claims"), relating to or arising in any manner out of the Props rented/leased hereunder, including, without limitation, as a result of any breach of any representation, warranty, or covenant made to Lessee in this Agreement, the manufacture, design, distribution, purchase, lease, delivery, non-delivery, acceptance, ownership, use, maintenance, or possession of the Props, irrespective of the cause of the Claim, excluding the active or passive negligence of Lessor from the time the Props are placed in transit for shipping to Lessee until the Props are returned to and accepted by Lessor. This indemnity and hold harmless provision also applies to any transaction, approval, or document contemplated by this Agreement. Lessee waives and releases Lessor from any existing or future claims in any way connected with injury to or death of Lessee's personnel, loss or damage to Lessee's property, or loss of use of any Props, which may:(i) Result from or arise in any manner out of the ownership, leasing, condition, use or operation of the Props; or(ii) Be caused by any defect in the Props; their design, testing, or construction; any article used in the Props; or maintenance, service or repair, whether or not the Props are in Lessee's possession and regardless of where the Props are located. The indemnities described in this clause will continue in full force and effect notwithstanding the expiration or other termination of this Rental Agreement and are expressly made for the benefit of and will be enforceable by Lessor.

8. Release of Liability. Lessee waives, releases, renounces, and disclaims expectation of or reliance on any warranty or

representation, express or implied, relating to the Props subject to this Agreement. Lessor will not have any responsibility or liability to Lessee or any other person, whether arising in contract or tort, out of any negligence or strict liability of Lessor or otherwise, and Lessee waives, releases, renounces, and disclaims all Claims against Lessor for: (A) Any liability, loss, or damage caused or alleged to be caused directly or indirectly by the Props; by any inadequacy, or deficiency, or defect of the Props; or by any other circumstances in connection with this Agreement including claims of infringement or the like; (B) The use, operation, or performance of the Props or any risks related thereto; or (C) Any consequential damages, including those for interruption of service, loss of business or anticipated profits.

9. Clearances. Lessee shall be solely responsible for obtaining any licenses or clearances necessary to display trademarks or other protected intellectual property in connection with the Props. Lessee agrees to defend, indemnify and hold Lessor harmless from any and all Claims arising out of Lessee's failure to comply with the foregoing.

10. Rights in Recordings. All rights of every kind in and to all photographs, film and recordings made by Lessee shall be and remain vested in Lessee, its licensees, successors and assigns, including, without limitation, the right to use and reuse all such photographs, film and recordings ("Recordings") in all manner and media now known or hereafter devised, in perpetuity, throughout the universe, and in connection with advertisements, promotions, publicity, clips, etc., related to the photographs, film and recordings made by Lessee.

11. Insurance. Lessee shall maintain at its own expense, at all times during the term of this Agreement, insurance in accordance with the following provisions: (i) All risk property insurance ("Property Insurance"), covering the Props. The Property Insurance shall be on a worldwide basis and name Lessor 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. (ii) Commercial general liability insurance ("Liability Insurance"), including coverage for the operations of independent contractors. The Liability Insurance shall name Lessor as an additional insured and shall contain a waiver of subrogation rights. The Liability Insurance shall provide general liability aggregate limits of not less than $2,000,000 and not less than $1,000,000 per occurrence. (iii) Lessee's insurance as required in the foregoing paragraphs shall be primary and non-contributory coverage with respect to Lessor's insurance. Lessee shall provide to Lessor certificates of insurance evidencing the insurance and endorsements required in the foregoing paragraphs prior to the release of any Props. 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. Failure to obtain or maintain in force the insurance specified herein, or to provide Lessor with satisfactory evidence of the insurance, Lessor may, but shall not be obliged 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. (iv) Lessee and its insurance company shall provide Lessor with written notice prior to the effective date of any cancellation or material change to any insurance maintained by Lessee pursuant to the foregoing provisions.

12. Maintenance. Lessee shall (a) use, operate, maintain, transport and store the Props in a careful and proper manner; (b) protect the Props from deterioration; (c) use the Props only for the uses contemplated herein; and (d) maintain accurate and complete records of all repairs and maintenance of the Props and allow Lessor to inspect those records at any time. Lessor shall not provide service, maintenance, repairs, or parts for the Props, except as otherwise specifically agreed by Lessor in writing.

13. Governing Law. This Agreement shall be construed under and in accordance with the laws of the State of California.

14. Default. Upon Lessee's breach of this Agreement, Lessor shall have the right, at its option, to terminate this Agreement and cease performance. The continuation of Lessor's performance hereunder after a breach shall not constitute a waiver or operate as any form of estoppel with respect to Lessor's later assertion of its right to cease such performance at any time so long as any breach has not been cured.

15. Waiver of Injunctive Relief. Lessor's sole and exclusive remedy in connection with Lessee's breach, termination or cancellation of this agreement or any term hereof, shall be an action for damages. In no event shall Lessor be entitled to enjoin, restrain or otherwise impair in any manner Lessee's production, distribution, exhibition, exploitation, advertising, publicity or promotion of the Recordings.

16. Dispute Resolution. Any controversy or claim arising out of or related to this Agreement or breach of this Agreement will be settled by binding 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 attorney's fees and costs in addition to any other relief granted.

17. Assignment and Delegation. Lessee may not assign any rights or delegate any duties hereunder without Lessor's express written consent.

18. Integration. These terms and conditions, and the purchase order and any addenda attached hereto, 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 purchase order and addenda will be binding on any of the parties unless set forth in writing and signed by both parties.

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

LESSEE _____

Lessee's Authorized Representative:

Signature _____

Print _____

Date _____

LESSOR: KENDALLFAETH, INC. d.b.a. Kendalls Studio Rentals Lessor's Representative:

Signature _____

Print _____

Date _____