

RENTAL TERMS & CONDITIONS

- 1. Indemnity.** Lessee/Renter (“You”) agrees to defend, indemnify, and hold New Sponge, LLC, its owners, officers, and employees (“Us” or “We”) 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 Equipment rented/leased, including, without limitation, as a result of its use, maintenance, or possession, irrespective of the cause of the Claim, except as the result of our sole negligence or willful act, from the time the Equipment leaves our place of business when you rent/lease it until the Equipment is returned to us.
- 2. Loss of or Damage to Equipment.** You are 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 your premises, except that you are not responsible for damage to or loss of the Equipment caused by our sole negligence or willful misconduct. You are also responsible for loss of use and you shall fully compensate us for the loss of use of the Equipment during the time it is being repaired or replaced, as applicable.
- 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.
- 4. Equipment in Working Order.** 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, and to the extent you have disclosed to us all of the intended uses of the Equipment, it is fit for its intended purpose. Other than what is set forth herein, you acknowledge that the Equipment is rented/leased without warranty, or guarantee, except as required by law or otherwise agreed upon by the parties at the inception of this Agreement.
- 5. Insurance Coverage.** You shall, at your own expense, either maintain an insurance liability policy that covers the market value of all rented Equipment or provide a cash or credit card deposit of a predetermined amount by us for the entire duration of the rental period. All insurance certificates must list New Sponge, LLC as an additional insured and as the loss payee with respect to the Equipment. 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.
- 6. 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.
- 7. Operators.** Any and all Operators of the Equipment shall be duly experienced, trained and qualified to operate Equipment of this type. Although we may, from time to time, recommend certain qualified Operators with whom we are familiar, we do not supply Operators. You must supply and employ any Operator who operates the Equipment (even if the Operator is the owner of the Equipment or owner of a company that owns the Equipment) and that Operator shall be deemed to be your employee and acting under your supervision or control for all purposes and shall be covered as an insured on all of your applicable insurance policies.
- 8. 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; obtain all necessary permits; and (iii) 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 attorney’s fees.
- 9. Valuation of Loss/Our Liability is Limited.** Unless otherwise agreed in writing, you shall be responsible to us for the replacement cost value or repair cost 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, you shall file a police report. Loss of use shall be calculated at the rental rate provided for in this Agreement. Accrued rental charges shall not be applied against the purchase price or cost of repair of the lost, stolen or damaged Equipment. In the event of loss for which we are responsible, our liability will be limited to the contract price and WE WILL, IN NO EVENT, BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL OR INCIDENTAL DAMAGES.
- 10. Subrogation.** You hereby agree that we shall be subrogated to any recovery rights you may have for damage to the Equipment.
- 11. 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 Equipment.
- 12. 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. 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.

13. Identity. We will have the right to place and maintain on the exterior or interior of each piece of property covered by this Agreement the following inscription: Property of New Sponge Media. You will not remove, obscure, or deface the inscription or permit any other person to do so.

14. 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.

15. 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 your agents in connection with any claim or proceeding at law or in equity begun or threatened against you, us, or both of us.

16. Default. Subject to notice and opportunity to cure, if you fail to pay any portion or installment of the total fees payable hereunder you otherwise materially breach this Agreement, then such failure or breach shall constitute a default ("Default"). Upon the occurrence of any such Default, and in addition to all other rights and remedies available at law or in equity, we shall have the right, at our option, to terminate this Agreement and cease performance hereunder. You further agree that the continuation of our performance hereunder after a Default shall not constitute a waiver or operate as any form of estoppel with respect to our later assertion of its right to cease such performance at any time so long as such Default has not been cured.

17. Cancellation Fee. If you reserve a rental booking with us and cancel it within less than 24 hours of the pickup / start time of your rental, we may at our sole discretion, assess and charge you a one day rental charge as a cancellation fee. If you do not inform us of your intent to cancellation your rental and do not show up to pick up your scheduled rental after previously booking and confirming your rental, we may at our sole discretion, assess and charge you a one day rental charge as a cancellation fee

18. 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.

19. 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 property will be added in an amendment describing the property, 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.

20. 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.

21. 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.

22. Arbitration. Any controversy or claim arising out of or related to this Agreement or breach of this Agreement will be settled by 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.

23. 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.

24. Facsimile/Scanned Signature. This Agreement may be executed in counterparts and by facsimile signature or signature that is scanned and transmitted by e-mail; such forms of signature shall be deemed to be original and fully binding.

ACKNOWLEDGED AND AGREED BY AUTHORIZED REPRESENTATIVE:

LESEE SIGNATURE

Date: _____

LESEE PRINTED NAME

COMPANY NAME (IF ANY)

CREDIT CARD AUTHORIZATION FORM

This document authorizes New Sponge Media to use the following credit card information. All information will remain confidential. We will keep this securely encrypted credit card information on file with your other account information unless you notify us that you do not want this credit card number to be kept on file with your account for future rentals.

When complete, please scan this agreement and send it as an attachment to rentals@newsponge.net along with a photocopy of both the card holder's driver's license and a copy of both sides of the credit card:

Cardholder's Name (as it appears on card): _____

Billing Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____

Credit Card Type: Visa MasterCard Discover American Express

Credit Card Number: _____ - _____ - _____ - _____

CVC # (3 digits on back of card or 4 digits on front for Amex): _____ Expiration Date: ____/____/____

I hereby authorize New Sponge, LLC to use this card for my initial rental payment, any additional equipment added to my rental order, any late fees or additional rental days, any loss and damage fees incurred from the rental order, and the security deposit, which is the deductible listed under Miscellaneous Equipment coverage on the submitted Insurance Certificate, if applicable. Unless or until I notify Stray Angel Films otherwise, I hereby authorize New Sponge, LLC to keep this securely encrypted credit card information on file for future rentals. I agree that I will pay for this purchase in accordance with the issuing bank cardholder agreement and abide by all terms of the attached Rental Agreement. I understand that the signature on this contract will serve as my authorized signature on my credit card receipt.

Authorized by: _____
SIGNATURE

Date: _____

PRINTED NAME

RENTAL AND L&D CHARGEBACK POLICY

This document describes the company response New Sponge Media utilizes when dealing with unresolved or disputed Rental and Loss and Damage claims resulting in Chargebacks.

In the event that you have a dispute with New Sponge Media over a Rental or Loss and Damage charge billed to your credit card or captured from a deposit authorization as described on our Credit Card Authorization Form, you agree to contact New Sponge Media and work with us directly to resolve any issue you or your company may have. We may be able to offer you a payment plan, discounted future rentals, or other incentives in the event we are unable to reach a suitable resolution with you or your company resulting from an unresolved rental or L&D issue.

However, in the event you refuse to work with us regarding a dispute and instead proceed with a Chargeback against us, we will interpret this action as a denial and refusal to pay a valid and agreed upon charge outlined in our Credit Card Authorization Form and our Rental Terms and Conditions and we will proceed with the following actions:

- We will contact all other major rental houses in our industry and you or your company may be added to a database of known Chargeback clients which may result in you or your company being unable to rent from other rental houses in the greater Los Angeles area, or without having to put down a large cash deposit every time you or your company rents.
- You may be sent to our collection attorney for litigation or other legal enforcement of our agreements which may result in large additional out of pocket costs and attorney's fees you will be responsible for including but not limited to lost rental days, the original rental fee, and any loss and damage charge.
- Your rental reputation, personal reputation, company's reputation, and subsequent credit reputation may be damaged as we will report the issue as a defaulted collection account to all the major credit and business credit agencies including TransUnion, Experian, Equifax, and Dun and Bradstreet.

I have read the above Chargeback Policy and understand that by initiating a Chargeback against New Sponge Media instead of resolving any issue I may have with New Sponge Media directly, the above policy may be enforced against me or my company. I further understand that New Sponge Media is committed to doing everything possible to resolve any issues I or my company may have from a Rental or Loss and Damage charge directly with me or my company and has no interest, monetary incentive or legal incentive in enforcing the above policy unnecessarily against me or my company.

Acknowledged by: _____
SIGNATURE

Date: _____

PRINTED NAME