



**FSLA**  
Film Source LA

**DESCRIPTION OF PROPERTY:** The property (“Property”) subject to this Agreement shall be the specific items of equipment listed on the Equipment Delivery Receipt prepared by Film Source LA (“FSLA”) at time of delivery of such equipment to or on behalf of the customer (“Customer”), whose name appears at the bottom of this Rental Agreement. Such Equipment Delivery Receipt and the FSLA Sales Invoice (“Sales Invoice”), which specifies the rental rate, shall be deemed a part of this Agreement, as if fully incorporated herein. Upon pickup of the Property by Customer at FSLA place of business, or upon receipt by Customer after shipment, it is Customer’s responsibility to determine that the order is complete and to immediately notify FSLA prior to taking delivery, of any discrepancies.

**TERM OF RENTAL:** Unless otherwise specified in the Equipment Delivery Receipt, all Property shall be rented on a day-to-day basis and all rental rates shall apply to each full day or any fraction thereof which has elapsed between the time the Property is delivered to Customer and the time it is returned to FSLA. The manner by which “delivery” and “return” are to be accomplished are described herein below. A 10% holding charge will be applied on all orders cancelled within 24 hours of pickup time. Pickup by the Customer from FSLA or shipment by FSLA of the Property after 2:00 PM shall not be deemed a rental day. Return of the Property to FSLA after 10:00 AM will be deemed an additional rental day. Where the Property has not been returned to FSLA by the date specified in the Equipment Delivery Receipt, rent shall continue to accrue on the Property on a day-to-day basis at the rate contained on the applicable invoice, until such time as the property has been returned to FSLA in the manner provided for below. Regardless of the period of rental specified in the Equipment Delivery Receipt, FSLA may, by notice to the Customer, cancel any Equipment Delivery Receipt at any time during the term of rental if FSLA deems that the Customer is misusing equipment, the terms of this Agreement are not being met, or Customer has breached this Agreement in any other manner.

**DELIVERY:** Customer, by signing this agreement, acknowledges that the property will be deemed “delivered” to it for all purposes when it leaves FSLA place of business in the possession of the customer, any agent of the customer or any third party carrier. Customer bears full responsibility for all transportation arrangements for the property (including selection of a third party carrier if required), unless other arrangements are made in writing and signed by an authorized representative of FSLA. Should the Customer fail to specify in writing the exact manner by which transportation and delivery shall be accomplished, Customer shall be deemed to have authorized FSLA to employ methods of delivery that FSLA, in its sole discretion, deems to be appropriate for the particular circumstances under which the transportation and/or delivery will occur, including the use of any third party carriers, and/or storage facilities, with the Customer bearing the entire risk of loss and/or damage to any Property once it has left FSLA place of business. In the event FSLA agrees in writing to deliver the Property to a location away from FSLA place, the Customer shall provide FSLA with detailed written instructions for the manner and location of such delivery. If the Customer fails to provide such instructions, or if such instructions fail to address specific aspects of the delivery process, Customer shall be deemed to have authorized FSLA to accomplish delivery in any manner that FSLA, in its sole discretion, deems to be appropriate for the particular circumstances under which the delivery will occur, including delivery to a drayage house or storage facility, with the Customer bearing the entire risk of loss and/or damage to the Property once it is no longer in the physical custody of authorized FSLA employees.

**RETURN:** The property shall be deemed “returned” to FSLA when it has been delivered to FSLA operations department. The customer shall continue to bear any and all risk of loss and/or damage to the property until return has been accomplished in this manner. Equipment that has been damaged or destroyed while in the possession of the Customer, an agent of the Customer or any third party carrier shall not be deemed to have been “returned” to FSLA until such time as it has been repaired (as provided below) and Customer has been released in writing by an authorized representative of FSLA from liability for any further rent, or FSLA has received full replacement value from the Customer or the Customer’s insurer, including payment of any unpaid and or continuing rental charges. Likewise, equipment that has been lost, stolen or seized by a governmental agency while in the possession of the Customer, an

agent of the Customer (including, but not limited to, drayage houses, storage facilities and/or hotel concierge desks) or any third party carrier shall not be deemed to have been "returned" to FSLA until FSLA has received full replacement value from the Customer or the Customer's insurer, including payment of any continuing rental charges, or the equipment has been released by the governmental agency or third party and is in the physical possession of FSLA, in an undamaged condition. Under no circumstances shall FSLA be deemed to have accepted return delivery of or otherwise "signed off" on particular items of equipment until such time as each item has been unpacked from its shipping container, examined by FSLA employees and received as undamaged.

**RATES AND CHARGES:** The rent payable for any item of Property shall be set forth in the Sales Invoice. Rent is payable according to the terms contained on FSLA invoice to Customer. If not paid when due, rent shall bear interest at the rate of two and one-half percent (2 1/2 %) per month from the date rental charges were incurred. Any discounts granted by FSLA may be revoked at any time. FSLA published rates are subject to change at any time without notice. All rates are FOB FSLA, and Customer is responsible for all shipping and delivery charges. FSLA may assess an additional charge in accordance with its then current rate schedule for pickup and delivery, early pickup services during non-business hours and technical support for the operation of equipment. Canceled orders will be subject to FSLA then current cancellation charge. No allowance will be made for items delivered to but not used by Customer.

**LIMITED WARRANTY:** FSLA warrants that, when delivered to the Customer, all Property will be operational to accepted Manufacturer specifications. In the event of a malfunction, customer must notify FSLA immediately and FSLA will have no responsibility for any malfunction reported after termination of the rental for such property. Customer shall not attempt to service or repair any of the property and any attempt by the customer to service or repair the property, will void the limited warranty provided herein. The limited warranty provided herein shall not apply to any malfunction resulting from mishandling or improper operation of the property after delivery to the customer. FSLA shall have no liability arising out of the customer's inability to operate the property in accordance with manufacturer's instructions and contemplated use. Except as set forth herein, FSLA makes no warranty with respect to the property and expressly disclaims any warranty implied or otherwise, that the property is suitable for the customer's intended use. FSLA shall not be liable for any consequential damages and its liability for any breach of the warranty granted hereunder shall be, in FSLA's discretion, replacement or repair of any defective property or a refund of any rent

paid by the customer in connection with such property.

**DAMAGE AND INSURANCE:** The customer acknowledges that when the property is delivered to the customer, the customer will have examined the property and found it to be in good working order. The customer shall have full responsibility and liability to FSLA for the actual cost to repair or replace any property which during the period between delivery to the customer and return to FSLA has been lost, stolen, or damaged from any cause whatsoever (other than from a malfunction to which FSLA's limited warranty applies or ordinary wear and tear). In addition, a 15% restocking fee shall be charged on all equipment that FSLA replaces. The customer assumes any and all risk of loss once the property leaves FSLA's place of business until such time as the property is returned to FSLA in the manner provided herein, except at such times as the equipment is in the exclusive control of authorized FSLA employees. The customer shall also be liable to FSLA for any continued rental charges during a reasonable time required to repair or replace damaged equipment, to the extent the customer is responsible under this agreement for such damage or loss, the customer shall be liable to FSLA for the full replacement cost of all property which must be replaced as a result of damage, loss, or the customer's failure to return the property to FSLA. The liability of customer hereunder is primary and shall only be reduced in the event and to the extent FSLA actually receives any applicable insurance proceeds. Acceptance by FSLA of the return of any Property shall not be deemed a waiver by FSLA of any claims which FSLA may have against the Customer under this paragraph, even though any damage for which the Customer is liable hereunder is discovered later. Prior to taking delivery of the Property, the Customer shall either provide to FSLA a Certificate of Insurance acceptable to FSLA, with FSLA named as the loss payee, in a form and amount satisfactory to FSLA, evidencing Customer's insurance covering all risk of loss to the Property at replacement cost value plus any continuing rental charges at the same rate set forth on the Sales Invoice (such payments to continue until the date of receipt of the replacement cost by FSLA), including coverage of the Property while in transit. The customer's insurance must include rented or leased equipment coverage and must provide coverage during the entire time of rental or lease, including transportation of the equipment from and to FSLA's place of business, even if such transportation is accomplished by a third party carrier.

**USE OF PROPERTY:** The Customer shall at all times retain the Property in its own custody. The Customer shall operate the Property in accordance with the manufacturer's instructions and contemplated use and shall not

use the Property in any manner which will subject it to abnormal or hazardous conditions, including, but not limited to: not using the Property in accordance with manufacturer's instructions and contemplated use, negligence (defined as, but not limited to, failure to provide prudent security measures to prevent theft or carelessness in maintaining the equipment properly); or misuse (defined as, but not limited to, improper use of the equipment causing damage due to utilization of the equipment in a manner for which it is not designed). The Customer shall not make any alterations or improvements to the Property without the prior written consent of FSLA and shall not deface, remove, or cover any nameplate on the Property showing FSLA's ownership. All property shall be operated in accordance with applicable Federal, State or local law.

**INDEMNIFICATION:** The customer hereby agrees to indemnify and hold FSLA harmless from and against any and all losses and/or claims, including attorneys' fees, arising out of customer's possession, use or operation of the property during the time between delivery of the property to the customer and its return to FSLA.

**TITLE MATTERS:** This Agreement constitutes a lease and not a sale of the Property or the creation of a security interest therein. No part of the rental payments made under this Agreement shall be deemed payment towards the purchase of any of the Property. Title to the Property shall remain at all times in FSLA. The Customer hereby acknowledges FSLA's ownership and title in the Property and agrees to keep the Property free of all liens, levies, and encumbrances. This Agreement constitutes a lease to the Customer exclusively and the Customer shall not assign any rights under this Agreement (or sublease the Property to any other person or entity). FSLA shall have the right to assign its rights and obligations under this Agreement without the consent of the Customer. In the event of any such assignment, the Customer waives the right to assert any claim by the Customer against FSLA as a defense against any such assignee.

**RIGHT OF ENTRY AND INSPECTION:** FSLA shall have the right to inspect the Property at any time during the rental term. Customer shall make any and all arrangements necessary to permit a qualified representative of FSLA access to the location of the Property. If a breach of any of the provisions of the Rental Agreement occurs, FSLA has the right to remove all of the Property without liability to Customer, and without prejudice to FSLA's right to receive rent due or accrued, up to and including the date of removal of the Property.

**GOVERNING LAW:** This Rental Agreement shall be governed by and construed in accordance with the laws of the State of California as same are applied to internal disputes and the parties hereto submit to the jurisdiction of the Courts of the State of California, County of Los Angeles for all purposes related to this Agreement. The prevailing party in any proceeding shall be entitled to an award of attorneys' fees and litigation costs.

**MISCELLANEOUS:** This Agreement, the Equipment Delivery Receipt, the Sales Invoice(s) and any extension of the rental term set forth in the Sales Invoice issued by FSLA from time to time shall constitute the entire Agreement of FSLA and the Customer with respect to the rental of the Property. This Agreement may not be modified without a writing signed by both the Customer and an authorized representative of FSLA. All obligations of the Customer hereunder shall survive expiration of the rental term set forth on any Equipment Delivery Receipt or any extension of the rental term set forth in the Sales Invoice. Any notice required or permitted to be sent under this Agreement shall be deemed sent (i) when delivered to the business office of the addressee by messenger or express mail delivery, or (ii) three (3) days after deposit in the US Mail with first class postage prepaid to the address set forth on the most recent Sales Invoice. Notwithstanding any prohibition on assignment, this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties. The person signing this Agreement on behalf of the Customer warrants that such individual has been duly authorized to execute this Agreement and to bind the Customer to its terms. In the event any provision of this Agreement is held to be unenforceable, such provision shall be severed from this Agreement and the remainder shall be deemed fully enforceable. The Customer hereby represents to the best of its knowledge, that all information provided is true and correct. By signing this Rental Agreement and accepting delivery of equipment from FSLA, the Customer agrees to be bound by all of the Rental Terms and Conditions in effect from time to time, as set forth in this document. Further, by signing below, the signatory hereby represents that they are an authorized agent of the Customer or are otherwise authorized to bind the Customer to this Agreement.

Customer's Name  
(Please Print): \_\_\_\_\_ Authorized

Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Company

Name: \_\_\_\_\_ Date: \_\_\_\_\_