

# VIDEORAMA! INDUSTRIES

## RENTAL AGREEMENT TERMS AND CONDITIONS

Valid From 1/1/10 to 1/1/11

COMPANY NAME: .....

1. Lessee agrees to defend, indemnify and hold Lessor free and harmless from and against any and all claims, liabilities, losses, costs, and out of pocket expenses (including attorney's fees) arising out of, or in connection with the equipment leased, its use or transportation, or out of operations conducted by Lessee, its agents, sublessees, employees, contractors, representatives, guests, invitees, or customers, including, but not limited to, active and/or passive negligence, save and except claims or litigation arising through the sole negligence or sole willful misconduct of Lessor.
2. Lessee is considered to have taken delivery of the equipment from the time the equipment is set aside from Lessor's general inventory for Lessee's use. From the time Lessee takes delivery of the equipment leased, until the equipment is returned to Lessor during normal business hours and Lessor accepts the equipment, Lessee assumes all risks of loss and responsibility for any damage Lessee causes to the equipment, property or person(s), including but not limited to all risks and losses while in transit, while at all locations, while in storage and while on Lessee's premises.
3. Lessee will take all necessary precautions in regard to the use of the equipment leased to protect all persons and property from injury or damage. The equipment leased shall be used only by Lessor's employees or agents qualified to use such equipment.
4. Lessee warrants that it will not sublease any of the equipment leased without the prior written consent of Lessor.
5. Lessee acknowledges that the equipment is leased without warranty, or guarantee, except as required by law.
6. Lessee shall, at its own expense, maintain at all times during the lease all risk perils insurance covering the equipment leased from all sources (equipment rental floater) for full replacement cost, except vehicles (see below), and for loss of use (lease value) of the equipment. Coverage shall begin from the time Lessee or its agents take delivery of the equipment leased and continue until the time the equipment is returned to and accepted by Lessor. Such insurance shall be on a worldwide basis, name Lessor as the loss Payee for loss or damage to the equipment leased and cover all risks of loss of, or damage to the equipment. Limits of insurance coverage shall be sufficient to encompass all property at risk, regardless of source, but in no event less than \$1,000,000.
7. Lessee shall, at its own expense, maintain business motor vehicle liability insurance, including coverage for loading and unloading 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 the perils of "comprehensive" and "collision". Lessor shall be named as an additional insured with respect to the liability coverage, and as a loss payee on the hired motor vehicle physical damage coverage. The insurance shall provide no less than \$1,000,000 in combined single limits liability coverage and actual cash value for physical damage coverage.
8. 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.
9. Lessee shall at its own expense, maintain commercial general liability insurance which includes coverage for independent contractors and contractual liability coverage, specifically referring to this Agreement and to the hold harmless agreement contained herein. Said 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 the lease, and shall include the following coverages: broad form contractual liability, personal injury liability, construction defect liability, completed operations, and product liability. Such insurance shall provide general liability aggregate limits of not less than \$2,000,000 (including the coverage specified above) and of not less than \$1,000,000 per occurrence.
10. All insurance maintained by Lessee pursuant to the foregoing provisions shall be issued by an insurance carrier authorized to do business in the State of California with a Best rating of A or higher.
11. All insurance maintained by Lessee pursuant to the foregoing provisions shall contain a waiver of subrogation rights against Lessor.
12. Lessee shall provide Lessor with not 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.
13. Before obtaining possession of the equipment leased, Lessee shall provide to Lessor, a certificate of Insurance and applicable endorsements confirming each of the coverages specified above. All certificates shall be signed by an authorized agent or representative of the insurance carrier.
14. 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 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.
15. The grant by Lessee of a sublease of the equipment leased shall not effect Lessee's obligation to procure insurance on behalf of Lessor, or otherwise effect Lessee's obligations under this agreement.
16. Lessee hereby agrees to strictly comply with the laws of the State in which the equipment leased 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. Lessee warrants and represents that it is fully aware of any and all dangers and risks, patent as well as latent, involved in the use, transportation and handling of the equipment leased.
17. If Lessor files suit or proceeds with arbitration for the purpose of enforcing the terms and conditions of this agreement, then Lessor shall be entitled to recover its reasonable attorney's fees.
18. Lessee shall be responsible to Lessor for the full replacement costs, without depreciation, or repair costs of all equipment leased which is lost, stolen, or damaged. In the event the equipment leased is lost or stolen, Lessee shall file a police report. Lessor shall be under no obligation to replace or repair equipment until Lessee has paid for the damaged, lost or stolen equipment. In such event, the rental fees for the subject equipment shall continue to accrue until Lessee has paid for the lost, damaged or stolen equipment or until repairs are completed. Lessor's determination whether the damaged equipment shall be replaced or repaired shall be conclusive. Accrued rental charges shall not be applied against the purchase price or cost of repairs of the lost, stolen or damaged equipment.
19. Lessee hereby agrees that Lessor shall be subrogated to any recovery rights Lessee may have for damage to the equipment leased in the form of insurance protection for such damage.
20. This Agreement supercedes and replaces any other/prior Agreement(s) regarding the subject matter hereof.

LESSOR AND LESSEE AGREE TO THE ABOVE TERMS AND CONDITIONS

X.....  
AUTHORIZED REPRESENTATIVE OF LESSEE

Howard Van Emden  
PRINT YOUR NAME

1/1/10.....  
DATE

X.....  
AUTHORIZED REPRESENTATIVE OF LESSOR

.....  
PRINT YOUR NAME

.....  
DATE