

FORM: LRX -301

## TERMS & CONDITIONS OF DOING BUSINESS WITH LRX LLC.

These terms and conditions form part of the rental contract between LRX LLC, and (Customer) \_\_\_\_\_, apply to all equipment (the "Equipment") rented by you from LRX LLC. These terms and conditions constitute additional provisions of and guides to interpretation of the Rental Contract. In the event of a conflict between these terms and conditions and the Rental Contract, the terms of the Rental Contract shall prevail.

YOU ARE CONSIDERED TO HAVE TAKEN DELIVERY OF THE EQUIPMENT and therefore assume all risk of loss from the time that the Equipment is picked up by you or anyone acting on your behalf. You are responsible for any damage you cause to equipment, property or person(s), during testing, whether conducted on the premises of LRX LLC or elsewhere. After completing your tests you must notify LRX LLC of any defective or inoperable equipment immediately upon discovering the defect. Unless you notify LRX LLC of a defect or problem with the equipment supplied, you agree that the Equipment is in good working order and that the Equipment is acceptable to you.

### TRANSPORTING EQUIPMENT - PICK UP & DELIVERY

YOU PICK UP AND RETURN THE EQUIPMENT at LRX LLC 9am-5pm Monday through Friday.

IF YOU DO NOT PICK UP AND/OR RETURN THE EQUIPMENT AT LRX LLC YOU ARE RESPONSIBLE FOR TRANSPORTATION TO AND/OR FROM ANY LOCATION. At your request and expense, LRX LLC may arrange shipment of the Equipment to your designated location. You are responsible for all costs (transportation charges, taxes, duties, brokers fees, bonds, insurance and any other costs) incurred during transit. LRX LLC is not responsible for shipping delays once the Equipment is delivered to your carrier. LRX LLC will not accept collect shipments from you.

### YOUR RESPONSIBILITIES WITH REGARD TO THE EQUIPMENT

YOU ASSUME ALL RISKS OF LOSS. Once you have taken delivery of the Equipment, your responsibility includes, but is not limited to, all risks while in transit, at all locations named and unnamed, at all studios, while on your own premises and while in use, including all risk of loss to the Equipment, other property, or persons as a result or related to use or possession of the Equipment. Your responsibility ends when the Equipment is returned to LRX LLC. Equipment will not be deemed to have been returned until all of the following conditions have been met: 1) property has been brought back to the premises during normal business hours; 2) an inventory has been completed and a missing and damaged list has been compiled, if needed; and 3) the term of the Rental Contract has expired.

## RESTRICTIONS UPON THE USE OF THE EQUIPMENT

USE BY QUALIFIED TECHNICIANS ONLY. The Equipment may be used only by your duly qualified employees and/or agents and in strict accordance with the use contemplated in the Rental Contract. You shall keep the Equipment in your sole custody and shall not permit the Equipment to be used in violation of any laws.

NO SUBLEASE BY YOU IS PERMITTED. You may not sublease any part of the Equipment.

DO NOT REMOVE SERIAL NUMBERS OR COVER COMPANY LOGOS. You may not remove, alter or cover any serial numbers, tags, nameplates, or identifying logos on the Equipment showing ownership by LRX LLC.

NO WARRANTY OR GUARANTY Except as provided by the law, Equipment is rented to you without warranty or guaranty of any kind, expressed or implied, and LRX LLC assumes no risk or responsibility unless agreed to in writing.

### EQUIPMENT DAMAGED OR DESTROYED WHILE IN THE FIELD

AS SOON AS YOU DISCOVER THAT EQUIPMENT IS DEFECTIVE, you should notify LRX LLC of the problem and if necessary return the Equipment to LRX LLC, freight pre-paid, for evaluation. LRX LLC will make a reasonable effort to repair or replace the Equipment in the shortest amount of time.

LOSS AND DAMAGES. Upon return of damaged equipment, LRX LLC will make a determination of the extent of the damage and the required repairs. You and/or your representative(s), will have a reasonable amount of time to inspect the damage. In determining whether equipment shall be replaced or repaired, LRX LLC judgment shall be conclusive upon you. Should LRX LLC determine that the equipment must be replaced, you will be responsible for the cost to replace the same item or the closest comparably equipped model, at current retail prices, without deduction for depreciation.

LOST, STOLEN OR DESTROYED EQUIPMENT. In the event that after delivery to you, any of the Equipment is lost, stolen, damaged beyond repair, destroyed or otherwise disappears or is not returned for any reason, you will be responsible for the cost to replace the same item or the closest comparably equipped model, at current retail prices, without deduction for depreciation.

AS SOON AS YOU REALIZE THAT EQUIPMENT IS MISSING, NOTIFY LRX LLC, AND FILE A POLICE REPORT. In all instances immediately report any missing, lost, or stolen equipment to LRX LLC and file a report with the local authorities.

## RENTAL CHARGES AND LATE CHARGES

YOU MUST RETURN THE EQUIPMENT ON THE DATE SPECIFIED in the Rental Contract or be subject to additional charges. The last rental day shall be the day specified in the Rental Contract or up until 12 Noon of the next business day. A full additional day's rental will be charged for any Equipment not returned by 12 Noon. Full daily rates shall be charged for each day Equipment is not returned after the date specified for the return of the Equipment. All equipment rented within the state of California is taxable at the prevailing sales tax rate per California Law unless you have a valid California Reseller Permit Number on file with LRX LLC.

IF YOU RETURN THE EQUIPMENT IN DAMAGED OR NON-WORKING CONDITION, the lease period will be extended by the shortest reasonable time necessary to repair such damage or replace non-repairable equipment and return the item(s) to LRX LLC general inventory. The extended rental period shall apply only to the damaged or non-working item(s), unless the item(s) forms a part of other equipment. There may be delays in repair or replacement attributable to causes beyond LRX LLC control. The acceptance of the return of the Equipment by LRX Lighting Systems is not a waiver by LRX LLC of any claims that it may have against you. Rental charges for the damaged or non-working item(s) due to customers use shall accrue at full rental rate for the item(s) irrespective of any package discounts or other discounts agreed to at the inception of the Rental Contract, until the item(s) is repaired and/or replaced and the invoice for damages has been paid in full to LRX LLC. If requested you shall advance the money in order to allow LRX LLC to repair or replace the equipment.

WEEKENDS AND HOLIDAYS. When on a daily schedule, you will be charged the daily rental rate for weekend days and Holidays if the Equipment is used.

MINIMUM CHARGES. There may be minimum rental periods and/or special minimums applicable to Equipment to be used other than locally.

## CREDIT INFORMATION AND PAYMENT TERMS

THE TERMS OF PAYMENT are based upon credit information you supply at the time of rental. Should there be any change in such information, you agree that LRX may demand immediate payment without prior notice.

PAYMENT TERMS. Rental invoices and loss and damage invoices are payable upon receipt of invoice and not later than net 10 days. Payments due for 30 days or more shall be considered past due. For each month or part of a month thereafter, a past due or late charge may be assessed, which you are expected to pay. If the company places the account in the hands of an attorney or other agency for collection, you agree to pay reasonable collection costs, attorney fees and court costs. You agree to pay the rental house directly or as directed by the rental house or its agent.

RENTAL PAYMENTS DO NOT APPLY TO PURCHASE PRICE. Rental payments may not be applied to the purchase price of any equipment.

#### CANCELLATION POLICIES

In the event of cancellation, charges may apply in consideration of LRX LLC preparing, holding in reserve or sub-renting equipment, on your behalf. Please keep LRX LLC informed of your plan in order to avoid cancellation fees.

#### INSURANCE REQUIREMENTS

YOU MUST INSURE ALL THE EQUIPMENT. You shall, at your expense, and at all times during the rental, maintain in full force and effect insurance covering all equipment rented, from all sources for full replacement cost, except vehicles which are at actual cash value, and for loss of use (rents) of the equipment. Coverage must begin from the time you or your agents accept delivery of the equipment and continue until the time the equipment is returned. You shall deliver to LRX LLC, upon request, evidence of the insurance coverage, typically a Certificate of Insurance satisfactory to LRX LLC, showing Liability Coverage, Property Insurance and Workers Compensation Insurance, prior to taking possession of equipment. Such insurance shall be written by reputable insurers acceptable to LRX LLC; your insurers shall agree to be the primary insurers of such Equipment during the rental period. Notwithstanding this paragraph, you shall remain primarily liable to LRX LLC for full performance under the terms and conditions of the Rental Contract. LRX LLC may enforce its remedies directly against you without resort to your insurance.

PROPERTY INSURANCE. Your insurance should be on a worldwide basis; shall name LRX LLC as Loss Payee for loss or damage to the property rented; shall cover "All Risks" of loss or damage for equipment; vehicles physical damage coverage shall include the perils of "Comprehensive" and "Collision"; and all policies shall provide for 10 days written notice to LRX Lighting Systems before any policy shall be modified or canceled. Limits shall be sufficient to encompass all property at risk, regardless of source, but in no event less than \$5,000,000.

LIABILITY INSURANCE. You shall name LRX LLC as an additional insured on your liability insurance and your liability insurance shall be deemed primary and non-contributory insurance in the event of any claim or suit. Liability insurance shall meet the following minimums:

Commercial General Liability: \$5,000,000 per occurrence & annual aggregate.  
Automobile Liability: \$5,000,000 combined single limit Foreign Liability, if filming outside the U.S.A. or Canada: \$5,000,000 per occurrence limit.

THE RIGHTS OF LRX LIGHTING SYSTEMS ARE NOT AFFECTED BY YOUR NON-PERFORMANCE. Your insurers shall agree that the rights of LRX LLC under the

insurance coverage as described in the preceding paragraphs shall not be affected by any act or neglect or breach of condition by you, other than non-payments of insurance premiums.

Should you fail to procure or pay the cost of maintaining in force the insurance specified in the Rental Contract or to provide LRX LLC upon request with satisfactory evidence of the insurance, LRX LLC may, but shall not be obligated to, procure the insurance and you shall reimburse LRX LLC on demand for its cost. Lapse or cancellation of the required insurance shall be an immediate and automatic default of this agreement.

**TITLE AND OWNERSHIP.** You specifically acknowledge LRX LLC superior title and ownership of the Equipment and must keep the Equipment free of all liens, levies and encumbrances. You may not assign or pledge the Equipment.

**RIGHT OF ENTRY AND INSPECTION.** LRX Lighting Systems shall have the right to inspect the Equipment at any time during the rental term. You shall make any and all arrangements necessary to permit a qualified employee of LRX LLC access to the location of the Equipment. If a breach of any of the provisions of the Rental Contract occurs, LRX LLC has the right to remove all of the Equipment without any liability to you, and without prejudice to LRX LLC right to receive rent due or accrued to, including the date of removal of the Equipment.

**INDEMNIFICATION.** You agree to indemnify LRX LLC and to hold LRX LLC and its employees and agents harmless from and against any and all losses, damages, claims, demand or liability of any kind or nature whatsoever, including legal expenses, arising from the use, condition (including, without limitation, latent and other defects) or operation of the Equipment, and by whosoever used or operated during the rental term. This indemnification shall continue in full force and effect during and after the term of the rental for causes arising during the term of the rental.

#### MISCELLANEOUS ASPECTS OF THE RENTAL AGREEMENT

**THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.** The Rental Contract shall be deemed to have been made in the County of Los Angeles, and shall be interpreted and the rights and liabilities of the parties determined, in accordance with the laws of the State of California.

**WHEN THE CUSTOMER IS A CORPORATION.** The person executing the Rental Contract on behalf of such corporation warrants that he/she has full authority of such corporation to sign the Rental Contract and obligate the corporation.

**DEFAULT AND BREACH OF TERMS:** Each Rental Contract includes provisions for remedies in the event of default by you in payment of rent, or your breach of any terms of the Rental Contract, etc. Please read these sections in the Rental Contract carefully to understand your rights.

ENTIRE AGREEMENT. The signed Rental Contract and these Terms & Conditions constitute the entire agreement between you and LRX LLC. Any changes must be made in writing and agreed to by both parties.

\_\_\_\_\_  
Authorized Signature

Customer: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Authorized Signature

LRX LLC