

Eyes On Film, Inc.
dba Image Optics
7100 Fair Ave.,
North Hollywood CA 91605

PROP RENTAL AGREEMENT TERMS AND CONDITIONS

The following terms and conditions apply to all prop rentals by Eyes on Film, Inc. dba Image Optics (hereinafter referred to as “Lessor”), and _____ (hereinafter referred to as “Lessee”) with respect to each and all of the props listed on the Rental Order 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) 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. 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.

(3) 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.

(4) Disclaimer of Implied 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.

(5) 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, including 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.

(6) 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.

(7) 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.

(8) 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.

(9) 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.

