

**THE PRODUCTION TRUCK, INC.**  
**RENTAL AGREEMENT**



**TERMS AND CONDITIONS**

1. LESSEE ( \_\_\_\_\_ ) agrees to defend, indemnify and hold harmless LESSOR (THE PRODUCTION TRUCK, INC.) against any claims, liability, loss, costs, damages, expenses, or demands arising directly or indirectly out of, or in connection with the equipment leased or out of operations conducted by LESSEE ("Indemnitor"), its agents, servants, sublessees, 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 ("Indemnitee").
2. LESSEE is considered to have taken DELIVERY of the equipment, and assumes all risks of loss, 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 risk 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, at all locations, while in storage and while on LESSEE's premises.
3. LESSEE will take all necessary precautions during the progress of its work, including the use of the equipment leased to it by LESSOR, to protect all persons and property from injury or damages. The equipment shall be used only by LESSEE's qualified employees or agents. LESSEE warrants that it will not sublease any of the equipment rented.
4. LESSEE acknowledges that the equipment is rented without warranty or guarantee, except as permitted by law.
5. LESSEE shall, at its own expense, maintain at all times during the rental all risk perils insurance covering equipment rented from all sources (Equipment rental floater), for full replacement cost, except vehicles (see below), and for loss of use (rents) of the equipment. Coverage shall begin from the time LESSEE or its agents takes DELIVERY of the equipment and continue until the time the equipment is returned to and accepted by LESSOR. Such insurance shall be on a worldwide basis, shall name LESSOR as the Loss Payee for loss or damage to the property rented and shall cover all risks of loss of, or damage to equipment. Limits shall be sufficient to encompass all property at risk, regardless of source, but in no event less than \$1,000,000.
6. LESSEE shall, at its own expense, maintain business automobile liability, including coverage for loading and unloading equipment, and hired auto physical damage insurance, covering owned, non-owned, hired and rented vehicles. Coverage for physical damage shall include the perils of "Comprehensive" and "collision." LESSOR shall be named as an additional insured respecting the liability coverage, and as loss payee on the hired auto physical damage coverage. The insurance shall provide no less than \$1,000,000 in combined single limits, and actual cash value less \$1,000 deductible for physical damage on comprehensive and collision coverage.
7. LESSEE shall, at its own expense, maintain workers' compensation/employer's liability insurance during the course of the equipment rental with minimum limits of \$1,000,000.
8. 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 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; completed operations, and products liability. Such insurance shall have general aggregate limits of not less than \$2,000,000 (including the coverages specified above), personal injury and advertising injury of not less than \$1,000,000, and per occurrence limits of not less than \$1,000,000.

**TERMS AND CONDITIONS (CONT'D)**

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9. 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.
10. All insurance maintained by LESSEE pursuant to the foregoing provisions shall contain a waiver of subrogation against LESSOR.
11. LESSEE shall provide LESSOR with 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.
12. Before obtaining possession of the equipment leased, LESSEE shall provide to LESSOR a Certificate of Insurance and applicable endorsements, including additional insured and loss payee endorsements confirming each of the coverages specified above. All Certificates of Insurance shall be signed by an authorized agent or representative of the insurance carrier.
13. 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 cost. Lapse or cancellation of the required insurance shall be an immediate and automatic default of the agreement.
14. The grant by LESSEE of a sublease in the equipment shall not effect LESSEE's obligation to procure insurance on behalf of LESSOR, or otherwise effect LESSEE's obligations under this agreement.
15. LESSEE hereby agrees to strictly comply with the laws of the State 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 the 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 and shall assume responsibility for any accident, damage or loss, including death, resulting from the transportation and/or use of the equipment rented herein.
16. LESSEE hereby agrees to pay all of LESSOR's attorneys fees and costs in having to enforce the Terms and Conditions of this agreement.
17. LESSEE is responsible to LESSOR for the full replacement cost, without depreciation, or repair cost of all equipment which is lost, stolen or damaged. In the event the equipment is lost or stolen, LESSEE shall file a police report and promptly provide LESSOR with a copy of said 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.
18. LESSEE hereby agrees LESSOR shall be subrogated to any recovery rights LESSEE may have for damage to the equipment in the form of insurance protection for such damage.
19. Accrued rental charges cannot be applied against the purchase or cost of repair of damaged, lost or stolen equipment. Equipment deemed beyond repair by LESSOR will be paid for by LESSEE at its replacement cost.

**LESSOR AND LESSEE AGREE TO THE ABOVE TERMS AND CONDITIONS:**

**DATE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

\_\_\_\_\_  
**William Hadley**  
The Production Truck, Inc.

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Authorized Representative of LESSEE