



# Audio Masterpiece Inc. Rental Agreement Contract - Terms & Conditions

*This Contract affects your rights and liabilities.*

1. **Equipment Condition.** Customer acknowledges that Customer will examine and test the items of equipment listed herein within two (2) business days of Customer's receipt of the equipment to make sure that the equipment is in good working condition and, provided no defects are found during such inspection, Customer accepts the equipment as-is and without any rental reductions or claims therefore. Customer acknowledges that this equipment is leased without warranty or guarantee of any kind, express or implied, and that Company assumes no responsibility, implied or in fact for the performance or non-performance of the equipment. Customer shall return to Company, at Customer's expense, inoperable equipment for the Company to replace. This provision shall not relieve Customer of responsibility in the event of damage, destruction, or failure to return of the equipment.

2. **Proper Use.** This equipment, or any part thereof, may not be removed from the County of Los Angeles, State of California, without prior written consent of the Company endorsed hereon. The equipment leased hereunder shall be used only by duly qualified employees and/or agents of Customer and in strict accordance with the laws and regulations of its location and with the use contemplated in this Agreement. Customer shall keep the equipment leased hereby in Customer's sole custody and shall not permit the leased equipment to be used in violation of any federal, state, or municipal statutes, rules or regulations, and Customer agrees to indemnify and hold Company harmless from an and all fines, forfeitures, penalties, and for the violation of any statute, law, ordinance, rule or regulation of any duly constituted public authority.

3. **Return, Repair, Maintenance.** If any item of equipment is returned in a damaged or destroyed condition or if any such item is not returned for any reason (including, but not limited to, destruction, confiscation, theft or act of God), Customer shall pay to Company the monetary value of such item, in accordance with Company's most current equipment replacement list. rates. Customer specifically agrees that the monetary value of each item of leased equipment is as per replacement value listed posed in Company's office, a copy of which will be furnished to Customer upon request. If any item is returned in a repairable or damaged condition, Customer shall pay to Company the cost of such repairs as reasonably determined by Company in accordance with market rates. In determining whether equipment shall be replaced or repaired, Company's judgment shall be conclusive upon Customer. Notwithstanding anything to the contrary in this Agreement, and regardless of when Customer pays Company the monetary value of the leased equipment or the cost of repairing the leased equipment in the event of loss or damage to the leased equipment, Company reserves the right to hold Customer liable for payment of rental at the rate provided in this Agreement until the equipment has actually been repaired

or replaced and returned to Company's rental inventory and Customer acknowledges that there may be delays in repair or replacement attributable to causes beyond Company's control. The acceptance of the return of the leased equipment is not waiver by Company of any claims that it may have against Customer, nor a waiver of claims for latent or patent damage to the equipment.

4. **Rates and Interest.** The terms of payment are based upon credit information at the time of the rental. Should there be any change in such information, Customer agrees that Company may revoke the terms of payment without further notice. The first rental day shall be the day the rental equipment arrives at Customer's premises. The last rental day shall be the day the rental equipment is returned to Company's premises. If the equipment is returned before 10:00 AM, then no rental shall be charged for the day of return. If the equipment is returned to Company's premises after 10:00 AM then the last rental day is the day of return. When on daily schedule, daily rate will be charged for all days including Saturdays Sundays and holidays if equipment is used. When equipment is rented for less than the Weekly rate, it will be charged at the Daily rate until charge equal the Weekly rate. Rent is payable upon receipt of Invoice. All past due accounts bear interest at the rate of 1.5% per month (18% annually). If Company places the account in the hands of an attorney for collection, Customer agrees to pay reasonable attorney fees and court costs which may accrue. Rental rates paid will not be applied to the purchase price of any equipment listed herein.

5. **Title and Ownership.** Customer specifically acknowledges Company's superior title and ownership of the equipment and shall keep the equipment free of all liens, levies and encumbrances. Customer acknowledges that it shall be responsible for all taxes, transportation charges, duties, broker's fees, bonds and all other costs imposed upon the leasing or use of said equipment. Customer agrees not to remove or cover the name or tag or name plate on equipment showing ownership by Company.

6. **Right of Entry.** Upon termination of the lease period or upon the uncured breach of any provision, hereof, or in event of proceeding in bankruptcy with regard to Customer, or the levying of any legal process upon any item of equipment herein described, or upon any use of equipment in derogation or violation of Company's superior title and ownership, Company and its agents shall be at liberty at any time thereafter to remove all said equipment without notice or demand or any liability for damage caused by any such entry for such purpose and without prejudice to Company's right to receive rent due or accrued to and including the date of removal said equipment.

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7. Indemnity and Liability. Customer agrees to indemnify Company and to hold Company harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including reasonable attorney fees (collectively, "Claims"), arising out of or connected with, or resulting from equipment or the personnel provided hereunder, including without limitation, use, manufacture, selection, delivery, possession, operation, conduct, or return of said equipment. Company shall not be liable for any loss or damage of any kind, resulting from any delay, detention, defect or deficiency in leased equipment or other materials supplied, handheld, stored, repaired, transported, received or processed or the services of technicians, drivers or any other personnel or service provided by Company unless arising from Company's gross negligence and/or willful misconduct. Company will indemnify and hold Customer harmless from and against Claims arising from Company's gross negligence and/or willful misconduct.

8. Insurance. Customer shall, at its expense, at all times from the time of removal of equipment from the lessor's premises, maintain property damage insurance in amounts sufficient to cover the replacement value of the rental equipment and with insurance companies satisfactory to Company, with Company as a general liability additional insured and loss payee, and providing 30 days written notice to Company before any policy shall be modified or canceled. Customer shall deliver to Company, upon request, evidence of the insurance coverage satisfactory to Company. Should Customer fail to procure or pay the cost to maintain in force the insurance specified above or to provide Company upon request of satisfactory evidence of the insurance, Company may, but shall not be obligated to, procure the insurance, and Customer shall reimburse Company on demand for its cost. Suffering lapse or cancellation of required insurance shall be an immediate and automatic default by Customer under this Agreement.

9. Foreign Use. All leased equipment that is due to leave the United States must be registered with U.S. Customs prior to departure. Company will furnish Customer with a statement giving serial number, country of origin and value of equipment at Customer's request. Adequate bonds and custom fees are to be provided by and paid by Customer. Any delay due to Customer's failure to register leased equipment, or due to use of leased equipment outside of the U.S., shall be charged as a normal day until equipment is returned to Company.

10. Shipping Cost. All air or surface shipments of leased equipment made on behalf of Customer by Company will be shipped collect of freight charges and insurance. All leased equipment returned to Company by Customer must be shipped pre-paid.

11. Cancellation. In the event of cancellation while on daily schedule for any reason including weather, the following charges shall apply in consideration of the Company's preparing equipment and holding it available:  
(a) Cancellation more than 24 hours before the time set for the lease to commence: no rental charge will apply.  
(b) Cancellation 24 hours or less before the time set for the lease to commence: 100% of the daily rental rate regardless of the reason for cancellation.  
(c) Cancellation any time after the time set of the lease to commence: the full daily rental rate will be charged, regardless of the reason for cancellation. When on a weekly schedule rate, Customer guarantees rental for the minimum number of weeks specified on the face hereof. No reduction shall be made in the event of cancellation.

12. Applicable Law. This Agreement shall be governed by the laws of the State of California.

13. Changes. This Agreement expresses the entire agreement between the parties and any changes thereto must be in writing.

14. Injury. Customer understands this equipment may cause injury or permanent damage to the hearing of users if used improperly. Customer understands equipment is used at its own risk and that Company holds no responsibility or liability whatsoever for any injuries.

15. Limitation of Remedies. In the event of any breach hereunder by Customer, Company will not seek to enjoin or restrain the production, distribution, or other exploitation of any audio-visual production produced by Customer in connection with its use of the equipment; provided, however, that this shall not limit Company's ability to file an action to recover its equipment.

**Audio Masterpiece Inc  
16527 Arminta Street  
Van Nuys, CA 91406-1745**

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**Company Name**

\_\_\_\_\_  
**Customer Signature**

\_\_\_\_\_  
**Customer Printed Name**

\_\_\_\_\_  
**Date**