

PA Nation LLC.

LEASE/RENTAL AGREEMENT Equipment and Production Truck

Please Read Carefully. You Are Liable For PA Nation's LLC Equipment and Truck From Time They Leave Our Premises Until the Time They Are Returned To Us and We Sign For Them.

- 1. Indemnity.** Lessee/Renter ("You") agree to defend, indemnify, and hold PA Nation Production Vehicles, Inc. dba PA Nation LLC our agents, employees, assignees, suppliers, sub-lessors and sub-renters ("Us" or "We") harmless from and against any and all claims, actions, causes of action, demands, rights, damages of any kind, costs, loss of profit, expenses and compensation whatsoever including court costs and attorneys' fees ("Claims"), in any way arising from, or in connection with the Vehicles and Equipment rented/leased (which vehicles and equipment, together, are referred to in this document as "Equipment"), including, without limitation, as a result of its use, maintenance, or possession, irrespective of the cause of the Claim, except as the result of our sole negligence or willful act, from the time the Equipment leaves our place of business when you rent/lease it until the Equipment is returned to us during normal business hours and we sign a written receipt for it.
- 2. Loss of or Damage to Equipment.** You are responsible for loss, damage or destruction of the Equipment, including but not limited to losses while in transit, while loading and unloading, while at any and all locations, while in storage and while on your premises.
- 3. Protection of Others.** You will take reasonable precautions in regard to the use of the Equipment to protect all persons and property from injury or damage. The Equipment shall be used only by your employees or agents qualified to use the Equipment.
- 4. Equipment in Working Order.** We have tested the Equipment in accordance with reasonable industry standards and found it to be in working order immediately prior to the inception of this Agreement, and to the extent you have disclosed to us all of the intended uses of the Equipment, it is fit for its intended purpose. Other than what is set forth herein, you acknowledge that the Equipment is rented/leased without warranty, or guarantee, except as required by law or otherwise agreed upon by the parties at the inception of this Agreement.
- 5. Property Insurance.** You shall, at your own expense, maintain at all times during the term of this Agreement, all risk perils property insurance ("Property Insurance") covering the Equipment from all sources (Equipment Rental Floater or Production Package Policy) including coverage for, without limitation, (i) theft by force (ii) theft by fraudulent scheme and/or "voluntary parting" (iii) mysterious disappearance (iv) loss of use of the Equipment. Coverage shall begin from the time you or your or agents pick the Equipment up at our place of business, or take delivery of the Equipment, whichever is applicable, and shall continue until the time the Equipment is returned to and accepted by us. The Property Insurance shall be on a worldwide basis shall name us as an additional insured and as the loss payee with respect to the Equipment and shall cover all risks of loss of, or damage or destruction to the Equipment. The Property Insurance coverage shall be sufficient to cover the Equipment at its replacement value but shall, in no event, be less than \$1,000,000. The Property Insurance shall be primary coverage over our insurance.
- 6. Workers Compensation Insurance.** You shall, at your own expense, maintain worker's compensation/employer's liability insurance during the course of the Equipment rental with minimum limits of \$1,000,000.
- 7. Liability Insurance.** You shall, at your own expense, maintain commercial general liability insurance ("Liability Insurance"), including coverage for the operations of independent contractors and standard contractual liability coverage. The Liability Insurance shall name us as an additional insured and provide that said insurance is primary coverage. Such insurance shall remain in effect during the course of this Agreement, and shall include, without limitation, the following coverage's: standard contractual liability, personal injury liability, completed operations, and product liability. The Liability Insurance shall provide general liability aggregate limits of not less than \$2,000,0000 (including the coverage specified above) and not less than \$1,000,000 per occurrence
- 8. Production Truck Insurance.** You shall, at your own expense, maintain business motor vehicle liability insurance ("Vehicle/Truck 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 a production truck. Coverage for physical damage shall include "comprehensive" and "collision" coverage. We shall be named as an additional insured with respect to the liability coverage, and as a loss payee with respect to the physical damage coverage. The Truck Insurance shall also include coverage for pollution caused by any Trucks. The Truck Insurance shall provide not less than \$1,000,000 in combined single limits liability coverage and actual cash value for physical damage and shall provide that said insurance is primary coverage with respect to all insured's, the limits of which must be exhausted before any obligation arises under our insurance. We do not offer CDW, RLP, SLI and PAC insurance, (you are fully responsible for having insurance to fully cover our Production Truck during the rental).
- 9. Insurance Generally.** All insurance maintained by you pursuant to the foregoing provisions shall contain a waiver of subrogation rights in respect of any liability imposed by this Agreement on you as against us. You shall hold us harmless from and shall bear the expense of any applicable deductible amounts and self insured retentions provided for by any of the insurance policies required to be maintained under this Agreement. In the event of loss, you shall promptly pay amount of the deductible amount or self-insured retention or the applicable portion thereof to us or the insurance carrier, as applicable. Notwithstanding anything to the contrary contained in this Agreement, the fact that a loss may not be covered by insurance provided by you under this Agreement or, if covered, is subject to deductibles, retentions, conditions or limitations shall not affect your liability for any loss. Should you fail to procure or pay the cost of maintaining in force the insurance specified herein, or to provide us upon request with satisfactory evidence of the insurance, we may, but shall not be obliged to, procure the insurance and you shall reimburse us 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. The grant by you of a sublease of the Equipment rented/leased shall not affect your obligation to procure insurance on our behalf, or otherwise affect your obligations under this Agreement.

10. Cancellation of Insurance. You and your insurance company shall provide us with not less than 30 days written notice prior to the effective date of any cancellation or material change to any insurance maintained by you pursuant to the foregoing provisions.

11. Certificates of Insurance. Before obtaining possession of the Equipment you shall provide to us Certificates of Insurance confirming the coverage's specified above. All certificates shall be signed by an authorized agent or representative of the insurance carrier.

12. Drivers. Any and all drivers who drive the Vehicles you are renting/leasing from us shall be duly licensed, trained and qualified to drive vehicles of this type. Although we may, from time to time, recommend certain qualified drivers with whom we are familiar, we do not supply drivers. You must supply and employ any driver who drives our Vehicles (even if the driver is the registered owner of the vehicle or owner of a company that owns the vehicle) and that driver shall be deemed to be your employee for all purposes and shall be covered as an additional insured on all of your applicable insurance policies.

13. Compliance With Law and Regulations. You agree to comply with the laws of all states 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 such Equipment. Without limiting the generality of the foregoing and by way of example, you shall at all times (i) display all necessary and proper placards; obtain all necessary permits; and (iii) keep all required logs and records. You shall indemnify and hold us harmless from and against any and all fines, levies, penalties, taxes and seizures by any governmental authority in connection with or as a result of your possession or use of the Equipment including, without limitation, the full replacement value of the Equipment in the event of seizure or impound, including our reasonable costs and attorneys fees.

14. Valuation of Loss/Our Liability is Limited. Unless otherwise agreed in writing, you shall be responsible to us for the replacement cost value or repair cost of the Equipment (if the Equipment can be restored, by repair, to its pre-loss condition) whichever is less. If there is a reason to believe a theft has occurred, you shall file a police report. Loss of use shall be determined by the actual loss sustained by us. Accrued rental charges shall not be applied against the purchase price or cost of repair of the lost, stolen or damaged Equipment. In the event of loss for which we are responsible, our liability will be limited to the contract price and WE WILL, IN NO EVENT, BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL OR INCIDENTAL DAMAGES.

15. Subrogation. You hereby agree that we shall be subrogated to any recovery rights you may have for damage to the Equipment.

16. Bailment. This agreement constitutes an Agreement or bailment of the Equipment and is not a sale or the creation of a security interest. You will not have, or at any time acquire, any right, title, or interest in the Equipment, except the right to possession and use as provided for in this Agreement. We will at all time be the sole owner of the Equipment.

17. Condition of Equipment. You assume all obligation and liability with respect to the possession of Equipment, and for its use, condition and storage during the term of this Agreement except as otherwise set forth herein. You will, at your own expense, maintain the Equipment in good mechanical condition and running order. The rent on any of the Equipment will not be prorated or abated while the Equipment is being serviced or repaired for any reason for which you are liable. We will not be under any liability or obligation in any manner to provide service, maintenance, repairs, or parts for the Equipment, except as otherwise specially agreed or as may be within the course and scope of employment by you. All installations, replacements, and substitutions of parts or accessories with respect to any of the Equipment will become part of the Equipment and will be owned by us.

18. Identity. We will have the right to place and maintain on the exterior or interior of each piece of property covered by this Agreement the following inscription: *Property of PA Nation LLC* You will not remove, obscure, or deface the inscription or permit any other person to do so.

19. Expenses. You will be responsible for all expenses, including but not limited to fuel, lubricants, and all other charges in connection with the operation of the Equipment.

20. Accident Reports. If any of the Equipment is damaged, lost stolen, or destroyed, or if any person is injured or dies, or if any property is damaged as a result of its use, maintenance, or possession, you will promptly notify us of the occurrence, and will file all necessary accident reports, including those required by law and those required applicable insurers. You, your employees, and agents will cooperate fully with us and all insurers providing insurance under this Agreement in the investigation and defense of any claims. You will promptly deliver to us any documents served or delivered to you, your employees, or your agents in connection with any claim or proceeding at law or in equity begun or threatened against you, us, or both of us.

21. Default - If you fail to pay any portion or installment of the total fees payable hereunder you otherwise materially breach this Agreement, then such failure or breach shall constitute a default ("Default"). Upon the occurrence of any such Default, and in addition to all other rights and remedies available at law or in equity, we shall have the right, at our option, to terminate this Agreement and cease performance hereunder. You further agree that the continuation of our performance hereunder after a Default shall not constitute a waiver or operate as any form of estoppel with respect to our later assertion of its right to cease such performance at any time so long as such Default has not been cured.

22. Return. Upon the expiration date of this Agreement with respect to any or all Equipment, you will return the property to us, together with all accessories, free from all damage and in the same condition and appearance as when received by you.

23. Additional Equipment. Additional Equipment may from time to time be added as the subject matter of this Agreement as agreed on by the parties. Any additional property will be added in an amendment describing the property, the monthly rental, security deposit, and stipulated

loss value of the additional Equipment. All amendments must be in writing and signed by both parties. Other than by this amendment procedure, this Agreement may not be amended, modified, or altered in any manner except in writing signed by both parties.

24. Entire Agreement. This Agreement and any attached schedules, which are incorporated by reference and made an integral part of the Agreement, constitute the entire agreement between the parties. No agreements, representations, or warranties other than those specifically set forth in this Agreement or in the attached schedules will be binding on any of the parties unless set forth in writing and signed by both parties.

25. Applicable Law. This Agreement will be deemed to be executed and delivered in Los Angeles, California and governed by the laws of the State of California

26. Arbitration. Any controversy or claim arising out of or related to this Agreement or breach of this Agreement will be settled by arbitration, in Los Angeles, California

27. Severability. If any provision of this Agreement or the application of any of its provisions to any party or circumstance is held invalid or unenforceable, the remainder of this Agreement, and the application of those provisions to the other parties or circumstances, will remain valid and in full force and effect.

28. Facsimile Signature. This Agreement may be executed by facsimile signature and such signature shall be deemed a valid and binding original signature.

29. Non-smoking policy. All vehicles are non-smoking vehicles and lessee is responsible for all damages caused from smoking in or near the vehicles. A \$250 per day fee may be charged lessee in addition to the cost to repair any damaged items if the smoking policy is not observed.

WE AGREE TO THE ABOVE TERMS AND CONDITIONS.

AUTHORIZED REPRESENTATIVE OF LESSEE:

PLEASE PRINT YOUR NAME DATE: _____ _____
SIGNATURE

AUTHORIZED REPRESENTATIVE OF LESSOR:

PLEASE PRINT YOUR NAME DATE: _____ _____
SIGNATURE

Please submit PO and certificate of insurance along with this document. Payments are NET 30 (Meaning 30 days since the start of the job including weekends). All Late payments are subject to 5% fee of the total of invoice for everyday it is late. Return checks have a 5% return check fee from the total of the invoice.

RENTAL AGREEMENT TERMS & CONDITIONS

1. Nature of this Agreement.

The agreement is between you and PA Nation LLC. DBA PA Nation LLC. PA Nation LLC rents to You the vehicle identified on the Rental Record ("Vehicle") subject to the Rental Record and those Terms and Conditions ("Agreement"). This Agreement is one of rental only. You and Authorized Drivers: (a) are not agents of PA Nation LLC; (b) may not transfer the Vehicle or any rights or obligations under this Agreement; or (c) may not service or repair the Vehicle without prior express approval. PA Nation LLC MAKES NO EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR THAT THE VEHICLE IS FIT FOR ANY PARTICULAR PURPOSE.

2. Who may Drive the Vehicle

Only You, and with Your permission, Your spouse, employer and coworkers incidental to their business with You, and persons listed herein as Additional Drivers may drive the Vehicle ("Authorized Drivers"). No other person(s) may drive the Vehicle except for valet parking or in an emergency as permitted by law. All Authorized Drivers must be at least 21 years old (unless otherwise required by law or agreed to by PA Nation LLC) and have a valid driver's license. At PA Nation's LLC discretion, other qualifications may be in effect at the time and place of rental. Where permitted by law, PA Nation LLC may impose an additional fee for Authorized Drivers other than You.

3. Vehicle Returns.

You must return the Vehicle in the same condition as when received (except for ordinary wear) to PA Nation LLC or other location designated by PA Nation LLC on the day and time specified herein, or earlier if demanded by PA Nation LLC. In no event may You or any Authorized Driver keep the Vehicle for more than thirty (30) days. IF YOU DO NOT RETURN THE VEHICLE AS REQUIRED, A CLEANING CHARGE, DROP CHARGE,

AND/OR RATE CHANGE MAY APPLY. Failure to return the Vehicle when due terminates PA Nation LLC permission to use the Vehicle, and where permitted by law, terminates any insurance coverage provided with this Agreement. PA Nation LLC and Pa Nation LLC employees or agents may recover the Vehicle without demand and at Your expense if it is illegally parked, appears abandoned, or is used or obtained in violation of law or of this Agreement. PA Nation LLC will not be liable to You or any Authorized Driver for damages resulting from such recovery. Where permitted by law, You waive any right to a hearing or to receive any notice or legal process, as a pre-condition for PA Nation LLC recovering the Vehicle.

4. Responsibility for Loss of or Damage to the Vehicle

(a) Regardless of fault, You are responsible for the loss of or damage to the Vehicle except for ordinary wear, or theft unless the theft results from failure to exercise ordinary care by you or any Authorized Driver.

Your responsibility will not exceed the fair market value of the Vehicle at the time of loss or damage, less its salvage value, plus actual towing, storage or impound fees, an administrative charge and a reasonable charge for loss of use. For vandalism unrelated to theft of the Vehicle, Your responsibility will not exceed \$35000

(b) Your responsibility will not exceed the fair market value of the Vehicle at the time of loss or damage, less its salvage value, plus actual towing, storage or impound fees, an administrative charge and a reasonable charge for loss of use. For vandalism unrelated to theft of the Vehicle, Your responsibility will not exceed \$35000.

5. Prohibited Uses of the Vehicle

Breach of this Agreement; (ii) will make You fully responsible for PA Nation's LLC actual and consequential damages, costs and attorney's fees resulting from the breach, and (iii) void any insurance protection provided under this Agreement. Subject to applicable law, you and Authorized Drivers may NOT permit the Vehicle to be driven or operated

(a) by anyone other than an Authorized Driver; or anyone under the influence of alcohol or drugs;

(b) without PA Nation's LLC prior written permission outside the United States, off road, to tow or push anything, or for driver training purposes;

(c) to transport persons for compensation; or in any speed test or contest;

(d) in connection with conduct that could be properly charged with a felony;

(e) in a willful, wanton, or reckless manner which results in loss of or damage to the Vehicle;

(f) if the Vehicle is obtained from PA Nation's LLC by fraudulent or false statements;

(g) to transport hazardous or explosive substances; or when overloaded or improperly loaded;

(h) without using seatbelts and/or required child restraints; while leaving the Vehicle unattended without removing the keys and locking all doors, windows, and trunk; using the Vehicle when use will cause damage (i.e. warning light on, flat tire, steam rising from engine);

(i) in connection with any conduct that is illegal

6. Payment of Charges

If you direct the charges to be billed to someone else onto a credit card, You warrant that You are authorized to do so. If You use a credit card to pay for charges YOU AUTHORIZE PA Nation's LLC TO RESERVE CREDIT AND TO PROCESS AN

APPROPRIATE VOUCHER WITH THE CARD ISSUER. For all estimated charges at the completion of the rental and for corrected charges upon audit and notification by PA Nation LLC where permitted by law. If the person or organization You direct us to bill fails to pay the charges when due, You will promptly pay the charges on demand. Charges not paid when due or paid by a check that is returned to PA Nation LLC unpaid will be subject to a late payment fee and/or returned check charge. You will pay PA Nation LLC on demand all amounts incurred as a result of the rental transaction including but not limited to the following

(a) A refueling charge at the rate specified on the Rental Record. If You do not purchase fuel from PA Nation LLC at the beginning of Your rental (Fuel Purchase Option) and You return the Vehicle with less fuel than when You received it. The rental rate does not include fuel;

(b) All fines, penalties, forfeitures, attorney's fees (unless prohibited by law), court costs and out of pocket expenses incurred by PA Nation LLC unless due to PA Nation's LLC fault;

(c) All charges related to loss or damage to the Vehicle as specified in this Agreement

7. Accidents, Theft, Vandalism and Claim Reporting.

You must immediately report any accident, theft, or vandalism of the Vehicle to PA Nation LLC or to its insurer, if directed by PA Nation LLC, and to the police in the jurisdiction where the incident occurred. You must promptly deliver to PA Nation LLC any papers relating to such incident, which are received by You or any Authorized Driver. You and Authorized Drivers will cooperate fully with PA Nation LLC and its insurer in investigating and defending any claim or lawsuit, including providing the name of Your and their insurer. FAILURE TO COOPERATE MAY VOID ANY LIABILITY INSURANCE COVERAGE AND ANY LIMITATION OF YOUR RESPONSIBILITY FOR LOSS OF OR DAMAGE TO THE VEHICLE.

Where permitted by law, You and Authorized Drivers authorize PA Nation LLC to obtain any records or information relating to any incident, consent to the jurisdiction of the courts where the incident occurred, and waive any right to object to such jurisdiction.

8. Personal Property Indemnity and Limits on Liability

(a) Regardless of who is at fault, You agree (i) that PA Nation LLC, their affiliates, employees and agents are not responsible to You or any person for loss or damage to Your or their personal property left at any time in, or on, or about the Vehicle at PA Nation's LLC premises; (ii) to waive all claims against such parties for such loss or damage and (iii) to release, indemnify and hold such parties harmless from claims arising from or relating to such loss or damage.

(b) You also agree that PA Nation LLC, their affiliates, agents and employees will not be liable to You or any Authorized Driver for any indirect, special, or consequential damages arising in any way out of any matter covered by this Agreement.

9. Additional Terms and Conditions

(a) **Modification/Waiver** – Any change, modification, or waiver of any term or condition of this Agreement is null and void unless set forth in a writing signed by You and PA Nation LLC or PA Nation LLC's authorized representative at the beginning of the rental. Such a writing must express an intention to be incorporated into this Agreement or to amend this Agreement.

(b) **Severability** – If any part, term, or provision of this Agreement shall be held void, illegal or unenforceable, the validity of the remaining parts, terms or provisions shall not be affected thereby.

10. Liability Insurance and Indemnity.

As a condition of this Agreement, You and any Authorized Drivers hereby warrant that you and any Authorized Drivers have and will maintain automobile liability insurance, with limits equal to or greater than those required by statute or law, for your and any Authorized Driver's use or maintenance of the vehicle as permitted by this Agreement. In the event of an accident, your or any Authorized Driver's insurance shall be primary. Although PA Nation LLC does comply with the state's financial responsibility laws, PA Nation LLC does not provide any liability insurance on your or any Authorized Driver's behalf for your or any Authorized Driver's use or maintenance of the Vehicle as permitted by this Agreement.