



Artery Props

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Rental Agreement

This agreement (Rental Agreement) is entered into by and between Sailout Productions, LLC, dba Artery Props (Lessor) and _____ (Company), with an address of _____, regarding the rental of Licensed Material, defined as material goods and their inherent intellectual property, for use on the production titled: _____ (Production).

1. Operation.

- a. **Hours.** Artery Props is open Monday through Friday, from 9am to 5pm. Order pickups and returns must occur within the hours of 9:30am to 4:30pm. Artery Props is closed over the weekend and will not respond to calls or emails during that time or anytime outside of open store hours.
- b. **Holidays.** Artery Props will close on the following observed holidays: Martin Luther King Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, extended Thanksgiving holiday, extended Christmas holiday and New Year's Day. Depending on where certain holidays fall on the calendar, Artery Props may close on additional days.

2. Rentals.

All rentals require a form of payment (Section 15), evidence of insurance coverage (Section 11) and this completed Rental Agreement prior to order pick up. All rented Licensed Material adhere to the following Rental Period and Pricing insofar as the usage Company may require, regardless of what type of product is rented.

- a. **Rental Period.** The standard Artery Props rental period is an 8 day week. Weekends and unobserved holidays will be counted within the rental period unless other arrangements are made. In the case that the return date falls on a day Artery Props's office is closed, the Licensed Material will be expected the next available day Artery Props's office is open. Early returns cannot be prorated due to scheduling arrangements. Licensed Material expecting to go into a 9th rental day will extend

into a 2nd week. Only the first rental week spans an 8 day period. Beyond that, 7 day weekly increments follow.

- b. Pricing. 1st week - full price. 2nd week - 50%. 3rd week - 50%. 4th week - 50%. 5th week - 25%. 6th week - 25%. 7th week - 25%. 8th week - free. 9th week and up - production rental (inquire). Rental extension pricing and percentages are always based on the 1st week rental total and must be a continuation of the initial rental. Late returns will incur an additional rental charge (see weekly price breakdown above) and may also induce a Late Fee, defined as 25% of the 1st week rental. Additional rental charges and Late Fees may be applied each time the Licensed Material is held past the newly issued return date. Artery Props reserves the right to adjust inventory pricing at any time. Any reshoots or orders utilizing previously rented items may reflect any inventory price adjustments.
- c. Destruction. If a Company requires the destruction of Licensed Material as needed in a scene of the Production, Artery Props may, at extra cost, accommodate that request for qualifying products. Any Licensed Material destroyed while in the care, custody or control of the Company outside of a premeditated arrangement between Company and Artery Props will be considered lost and subject to the replacement requirements as listed in Section 12b, and, additionally, may be subject to monetary compensation due to loss of rental (Section 13).
- d. Returns. All rented Licensed Material must be returned except for the following products with the applied conditions: a) Stickers that have been adhered to a surface, b) Flyers that have been distressed, and the integrity of paper has become compromised, and c) products prearranged to be destroyed (Section 2c). All unused Licensed Material must be returned.
- e. Rush Fees. Each order is unique and requires a certain amount of time to prepare. If an order cannot be comfortably prepared in a time suitable to The Company's needs, a Rush Fee, defined as 25% of the 1st week rental of the Licensed Material, may apply to accommodate the time restraints.
- f. Shop Fees. In the event the pick up or return of an order causes the forced opening of Artery Props outside of open store hours (Section 1a), a \$200 per hour Shop Fee may apply to the order.

3. Cancellation.

- a. Cancellation Charges. After each order is confirmed, Company must notify Artery Props by 4:30pm of the business day before the pickup date (weekends and observed holidays excluded) of any order changes or cancellation. Failure to do so may incur a Cancellation Charge, defined as 25% of the 1st week rental of the Licensed Material. In addition to a Cancellation Charge, any costs derived by the

printing of materials specifically for an order that has been canceled will be the Company's responsibility. Once an order has been picked up, Company must notify Artery Props of any cancellation of the order within 12 hours, and Licensed Material must be returned a) immediately that same day or, upon special circumstance and at Company's request granted by Artery Props, b) no later than 10am the following business day; at which point Company will only be responsible for the Cancellation Charge and associated printing costs, upon inspection of the Licensed Material and determination it has remained unused. If, after inspection of a returned canceled order, evidence shows use of the Licensed Material, the original rental invoice prevails. Orders requiring extended preparation time may be liable for the Cancellation Charge once the Licensed Material is prepped, regardless of the order pickup date. For details on the types of orders, please contact Artery Props.

- b. Force Majeure. Any cancellations made prior to 9:00am of the scheduled pickup date due to an event of "force majeure" shall not incur a Cancellation Charge, however Company may still be responsible for the associated printing costs of the canceled order. As defined herein, "force majeure" shall mean the incapacity of the cast or crew members, illness of actors, director or other essential artists and/or crew, weather conditions, defective film or equipment, fire, earthquake, pandemic, epidemic, act of God or public enemy, governmental regulation or action, terrorist attack or threat thereof, or any other occurrence beyond Company's control. Once an order has been picked up, Company must notify Artery Props of any cancellation of the order due to "force majeure" within 24 hours, and Licensed Material must be returned a) immediately that same day or, upon special circumstance and at Company's request granted by Artery Props, b) no later than 10am the following business day; at which point Company will only be responsible for the Cancellation Charge and associated printing costs, upon inspection of the Licensed Material and determination it has remained unused. Failure to return the Licensed Material of a canceled order due to "force majeure" within the aforementioned timeframe may incur a prorated rental cost, as illustrated in Section 2b, at which point the Cancellation Charge would not apply.

- 4. **Indemnification.** Company shall indemnify and hold harmless Artery Props, Artery Props's parent company and/or subsidiaries of Artery Props ("Indemnitees") from any and all reasonable and verifiable costs and/or reasonable and verifiable expenses (including reasonable outside attorney's fees) arising from any third-party claim of injury or property damage incurred by any third person or Artery Props as a direct result of Company's sole gross negligence regarding the use of the Licensed Material. If any of the Indemnitees claim damage to the Licensed Material, except for any injury or damage due to the gross negligence or willful misconduct of the Indemnitees. Artery Props shall submit to Company in writing no later than five (5) days following the return of

the Licensed Material to Artery Props a detailed listing of all claimed damage thereto and Artery Props shall permit Company to inspect the Licensed Material.

5. **Assumption of Risk.** From the time the Licensed Material is in the care, custody or control of Company, until the Licensed Material is returned to Artery Props, Company assumes all risks of loss and responsibility for any damage Company causes to the Licensed Material through its sole gross negligence, including but not limited to all risks and losses while in transit (unless transported by Artery Props), while at locations, while in storage (excluding storage at Artery Props's premises) and while on Company's premises, reasonable wear and tear excepted and excluding pre-existing malfunction or defect.
6. **Representations & Warranties.** Artery Props hereby warrants and represents that a) it is the sole owner of the Licensed Material and the rights granted herein, including, but not limited to any and all copyrights, trademarks and rights in the likeness of any people (if any) depicted in the Licensed Material, that the consent of no other person or entity is required to enable Company to use the Licensed Material as described herein, and that such use will not violate the rights of any third parties, b) Artery Props has the right to enter into the rental or sale of the Licensed Material and c) the Licensed Material is in good repair and working order, without defect for its Intended Use. Artery Props will indemnify and hold Company harmless for any breach of the foregoing representations and warranty.
7. **Use of Licensed Material.** Company will take reasonable precautions in regard to the use of the Licensed Material to protect all persons and property from injury or damage. The Intended Use of the Licensed Material is defined strictly as visual props or set dressing and embodies the following terms:
 - a. Non-exclusive Agreement. Company has entered a non-exclusive agreement with Artery Props.
 - b. Access. The Licensed Material shall be accessed and used only by Company's employees or agents qualified to use such Licensed Material for the Production to which this Rental Agreement is bound, for the duration as listed on the rental invoice, and that no other production, outside or within Company's jurisdiction, shall have access or use of the Licensed Material while in the care, custody or control of the Company.
 - c. Manner of Usage. The Licensed Material is to be used in a supplementary manner and can be neither the predominant element of the Production, nor of any advertisements, promotion, publicity or other material relating to the Production.
 - d. Stock Footage. The Licensed Material may not be used in the production of stock footage.

- e. Digital Scanning and Alteration. Company will not digitally scan or make digital alterations to the Licensed Material, including color, text or dimension changes, exclusive of the entirety of scenes photographed or recorded in connection to the Production.
- f. Physical Duplication. Company may not physically duplicate the Licensed Material without prior written consent from Artery Props, or as permitted and conveyed in the Licensed Material's individual product description. Currently, only Flyers may be physically duplicated as required by Company for the Production. All duplications are subject to the terms set forth in this Rental Agreement.
- g. Licensed Material Rights. Company acknowledges that Artery Props is not a work for hire operation and all rights of every kind in the Licensed Material shall be and remain vested in Artery Props, and neither Company nor any other party now or hereafter having an interest in the Licensed Material, shall have any right of action against Artery Props or any other party arising out of any use of said Licensed Material, including any Licensed Material customized and created per Company's request and expense (see Section 8).
- h. Discontinuation. Artery Props reserves the right to discontinue, by way or removal from the artwork library, any Licensed Material, while upholding the terms of this Rental Agreement in regard to the Company's photography/sound recording rights (Section 17) to and in the Production.

- 8. **Customization.** Upon request, and at additional cost, Artery Props can alter the Licensed Material to fit Company's demands. Alterations may include color, text or dimension changes. Additional customizations utilizing Artery Props Licensed Material can be negotiated and achieved, upon Artery Props' discretion due to the level of difficulty and time constraints. The rights of any and all created customized Artery Props Licensed Material, or created customized Licensed Material is and remains vested with Artery Props.
- 9. **Sublease.** Artery Props does not consent to the sublease of the Licensed Material and Company warrants that it will not sublease any of the Licensed Material without prior written consent from Artery Props.
- 10. **Malfunctioning Licensed Material.** If any of the Licensed Material rented under the Rental Agreement should become inoperable or fail to function in the manner for its Intended Use ("Malfunctioning Licensed Material"), Company shall promptly notify Artery Props. Company shall have the option, in its sole discretion, to repair the Malfunctioning Licensed Material itself or at a repair facility reasonably selected by Company at Artery Props's expense, or, if Company requires, Artery Props agrees to replace said Malfunctioning Licensed Material with operable replacement Licensed Material ("Replacement Licensed Material") of at least equal quality and capability as shortly thereafter as may be reasonably commercially possible. Provided the Malfunctioning

Licensed Material's failure to perform is not the result of Company's sole gross negligence or willful misconduct, there shall be no additional charge for the Replacement Licensed Material. If Artery Props is unable to provide Replacement Licensed Material or repair the Malfunctioning Licensed Material within twenty-four (24) hours from notice by Company, then Company shall have the option, at Company's discretion, to: (a) accept Replacement Licensed Material of lesser quality at a reduced rate for the remainder of the rental period or (b) terminate the rental of the Malfunctioning Licensed Material, while continuing the rental of other functioning Licensed Material, and receive a reduced rental rate reflecting the loss of the Malfunctioning Licensed Material. If any rental charges are due as of the date of termination of the rental of the Malfunctioning Licensed Material, Company shall pay the same within ten (10) days from the date upon which the Rental Agreement was terminated.

- 11. Insurance.** Company (or its payroll Company in the case of [a] below) shall maintain, at its own cost and expense, at all times during the term of this Rental Agreement, the following insurance, which policies shall include a provision that should any of the below described policies be canceled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.: (a) Commercial General Liability Insurance in an amount of \$1,000,000 per occurrence; \$2,000,000 aggregate for Bodily Injury and Property Damage Liability. Such coverage shall include protection for premises/operations, contractual liability, products/completed operations and broad form property damage including care, custody or control; and (b) All Risk Property Coverage covering the Licensed Material valued at the lesser of the full cost of repair or replacement, if repaired or replaced within one year. At Artery Props's request, Company shall deliver valid certificates of insurance evidencing the insurance described above and, except as respects 9(a) above, including Artery Props as an additional insured and loss payee as its interests may appear.

12. Repair and Replacement.

- a. Repair. Company shall be responsible to Artery Props for the lesser of actual and reasonable repair costs of all Licensed Material which is damaged while in the care, custody or control of Company as a result of Company's sole gross negligence in accordance with Section 4 above, reasonable wear and tear and pre-existing defect or malfunction excepted. Licensed Material will be valued at the lesser of the full cost of repair or replacement, if repaired or replaced with due diligence and dispatch. If the Licensed Material is not repaired or replaced within one year, the Licensed Material will be valued at its actual cash value at the time and the place of loss. Prior to repairing the Licensed Material, Artery Props shall submit to Company an estimate. In the event the Licensed Material is lost or stolen, Company shall file a police report as well as submit an 'Affidavit of Loss' form to Artery Props.
- b. Replacement. Company shall be responsible to Artery Props for the replacement costs, as listed on the rental invoice, of all Licensed Material which is lost, stolen or destroyed (except for prearranged destruction as noted in Section 2c) while in the care, custody or control of Company as a result of Company's sole gross negligence

in accordance with Section 4 above. Company shall submit an 'Affidavit of Loss' form to Artery Props for the lost/stolen Licensed Material and, in some cases, may file a police report.

13. **Loss of Rental.** All Licensed Material must be returned to Artery Props, regardless of condition. If damage to an item keeps it from being available to rent for an extended period, an additional 'loss of rental' fee may apply, for actual and verifiable loss of use, while the insured property is being repaired, or until payment is made for replacement. 'Loss of rental' fees follow Artery Props's weekly rental pricing structure, see Section 2b. A 'loss of rental' fee may apply to lost items, as well as to items returned and labeled non-rentable due to the loss of an item's corresponding packaging. Artery Props must be informed immediately of lost items to avoid additional rental charges. Please note that 'loss of rental' fees may apply to any order if an item is kept from being placed back into availability as a result of the Company's gross negligence.
14. **Cleaning Fees.** If Licensed Material requires cleaning attention, reasonable wear and tear excepted, a fee may be assessed. Cleaning charges start at \$50 per hour, with one-hour increments. Cleaning fees will not be broken down into minutes. As the next hour begins, as does the additional \$50.
15. **Payment Options.** Artery Props accepts Cash, Credit Card, ACH, Purchase Order and Company Check as payment. Wire Transfers and Personal Checks are not accepted forms of payment.
 - a. Credit Card. Accepted credit cards include: Visa, Mastercard, Discover and American Express. A Credit Card Authorization Form must be completed and submitted prior to order pick up. That form can be accessed from arteryprops.com.
 - b. ACH. Artery Props will only accept payment via ACH for ongoing productions. An ACH form and credit one sheet must be submitted to Artery Props for evaluation prior to order pick up. In lieu of a credit one sheet, a completed Credit Application Form, which can be accessed from arteryprops.com, will be accepted. Artery Props reserves the right to refuse payment via ACH at any time.
 - c. Purchase Order. Ongoing productions have the option to pay via Purchase Order (PO). A credit one sheet must be submitted to Artery Props for evaluation prior to order pick up. In lieu of a credit one sheet, a completed Credit Application Form, which can be accessed from arteryprops.com, will be accepted. Invoices utilizing POs require a \$100 minimum after any and all discounts are deducted. All PO accounts are on a net30 billing period. Company acknowledges that payment via PO is a privilege and continual abuse of the 30 day billing period may be cause for denial of that said privilege. Artery Props reserves the right to refuse payment via PO at any time.
 - d. Company Check. Only Company Checks, signed by an authorized representative of the account, are accepted. Artery Props does not accept personal checks. Payment

via check must be in the possession of Artery Props prior to release of the Licensed Material.

16. Payment Delinquencies.

- a. Late Fees. Late fees and/or interest on late payments shall not accrue until the applicable payment is overdue forty-five (45) days. With respect to the unpaid overdue amount of an invoice not paid in full within 45 days of receipt, a finance charge of 1% per month, payable from the date of the invoice to the date payment is received, shall be due and payable to Artery Props. In addition, Company shall indemnify Artery Props for its cost, including reasonable attorneys' fees and disbursements, incurred to collect any unpaid amount. Delinquent accounts may result in loss of future net terms.
- b. Insufficient Funds. Orders with payments resulting in insufficient funds will incur a \$40 fee in addition to the original invoice amount and must be paid immediately. Invoices resulting in late payments due to insufficient funds follow the criteria set forth in Section 15a.

17. Photography/Sound Recording Rights. All rights of every kind in and to all photographs and sound recordings made hereunder (including, but not limited to, the right to exhibit any and all scenes photographed or recorded in connection with the Licensed Material in all media throughout the universe, in perpetuity) shall be and remain vested in Company, its successors, assigns and licensees, and neither Artery Props nor any other party now or hereafter having an interest in the Licensed Material, shall have any right of action against Company or any other party arising out of any use of said photographs and/or sound recordings whether or not such use is, or may be claimed to be defamatory, untrue, or censurable in nature and Artery Props or any other party now or hereafter having an interest in the Licensed Material, hereby waives any and all rights of privacy, publicity, or any other rights of a similar nature in connection with the exploitation of any such photography or sound recordings.

18. Remedies. The rights and remedies of Artery Props in the event of any breach by Company of this Rental Agreement shall be limited to Artery Props's right to recover money damages, if any, in an action at law. In no event shall Artery Props be entitled to terminate or rescind this Rental Agreement or any right granted to Company hereunder, or to enjoin or restrain or otherwise impair in any manner Company's business activities or any parts or elements thereof, or the use, publication or dissemination of any advertising, publicity or promotion in connection therewith. Without limiting the foregoing, in no event will Artery Props be permitted to prevent or inhibit the production, broadcast, exhibition, distribution, marketing, advertising, publicity, promotion or other exploitation of the Project or the Recordings.

19. Arbitration. Any controversy or claim arising out of or relating to this Rental Agreement, its enforcement, arbitrability or interpretation shall be submitted to final and binding arbitration, to be

held in Los Angeles, County, California, before a single arbitrator, in accordance with California Code of Civil Procedure §1280 et seq. The arbitrator shall be selected by mutual agreement of the parties or, if the parties cannot agree, then by striking from a list of arbitrators supplied by JAMS. The arbitration shall be a confidential proceeding, closed to the general public. The arbitrator shall issue a written opinion stating the essential findings and conclusions upon which the arbitrator's award is based. The parties will share equally in payment of the arbitrator's fees and arbitration expenses and any other costs unique to the arbitration hearing (recognizing that each side bears its own deposition, witness, expert and attorneys' fees and other expenses to the same extent as if the matter were being heard in court). Nothing in this paragraph shall affect either party's ability to seek from a court injunctive or equitable relief at any time to the extent same is not precluded by another provision of this Rental Agreement.

20. Limitation of Damages. In no event will any party hereto be liable for or have any obligation to pay to the other consequential and/or incidental and/or special and/or punitive damages, all of which are expressly excluded, and the parties hereby waive any right to recover any such damages from the other.

21. Miscellaneous. This Rental Agreement contains the full and complete understanding between the parties and supersedes all prior agreements and understandings pertaining to the subject matter hereof and cannot be modified except in writing signed by both parties. Artery Props agrees, represents, and warrants that its sole and exclusive remedy for Company's breach of this Rental Agreement shall be through an action at law for monetary damages, if any. Artery Props irrevocably waives any right to rescission, equitable, or injunctive relief for any claim, loss, or cost of any kind arising through or in connection with this Rental Agreement or the subject matter hereof.

ACCEPTED AND AGREED TO:

Artery Props

ACCEPTED AND AGREED TO:

Company: _____

Signature: _____

Name: _____

Title: _____

Date: _____