

*Southwest Costumes Rentals LLC Terms and Conditions*

*Please Read Carefully. You Are Liable For Our Costumes and/or Props From The Time They Leave Our Place of Business Until They Are Returned To Us*

The Customer identified on the signature page below ("Customer") hereby engages Southwest Costume Rentals LLC ("SWCR") to provide costumes and accessories. These terms and conditions, whether signed for or not, will apply to any rental agreement, quotation, purchase order, and any other arrangement between Customer and Southwest Costumes Rentals LLC for the rental of costumes or other materials, and the term "Costumes" as used herein shall mean each and every set of Costumes and materials rented by Customer from time to time. These terms and conditions, together with any written confirmation related to the rental of Costumes (however sent) (including without limitation any purchase order, rental request and /or invoice) shall constitute the entire Agreement for each rental of Costumes and will be hereinafter collectively referred to as the "Agreement". Every time Customer places a purchase order or rental request or accepts or pays rent for Costumes, Customer will be deemed to accept and ratify the application of these terms and conditions.

**Article Usage**

1. Lease/Rental. This agreement constitutes a lease/rental of the Costumes 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 Costumes, except the right to possession and use as provided for in this Agreement. We will at all times be the sole owner of the Costumes.

2. Indemnity. Lessee/Renter ("You" or "you") agree to defend, indemnify, and hold Southwest Costume Rentals, LLC ("Us" or "We") harmless from and against any and all third party claims, actions, causes of action, demands, rights, damages, verifiable costs, loss of profit, expenses and compensation whatsoever including verifiable costs and reasonable outside attorneys' fees ("Claims"), in any way arising from, or in connection with the costumes, and accessories rented/leased (herein after referred to as the "Costumes" or "Accessories"), including, without limitation, as a result of their use, maintenance, or possession, irrespective of the cause of the Claim, except as the result of our sole negligence or willful act or latent defect in the Costumes, from the time the Costumes leave our place of business when you rent/lease them until the items are returned to us.

3. Disclaimer of Warranties. You hereby acknowledge that the Costumes are rented "as is" and "with all faults." We make no warranty, and specifically disclaim any express or implied warranty whatsoever, with respect to the Costumes 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. You shall examine and inspect any Costumes rented hereunder to determine that the Costumes 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 Costumes and in any event before the first use of the Costume. Your use of any Costume shall constitute an acknowledgement by You that such Costumes are in good working order and safe, and You assume all risk of liability resulting from any malfunctioning or otherwise unsafe Costume. In the event that You cause any modification of any Costumes in any manner whatsoever, You shall be

responsible for all liability which may arise in connection with the modification of such Costumes. You shall not modify any Costume without Our prior written consent, and You shall restore any modified Costumes to their original condition prior to the return of such Costumes to Us. You shall be responsible for the cost, as determined by Us, to repair or replace any modified Costumes to their original condition.

4. Loss of or Damage to Property. You are responsible for loss, damage or destruction of the Costumes while in your care, custody or control, including but not limited to losses while in transit provided by or arranged by You or your designee, while loading and unloading, while at any and all locations of Your locations, or any locations designated by You while in Your storage and while on your premises, except that you are not responsible for damage to or loss of the Costumes caused by our sole negligence or willful misconduct or. Acceptance of trades are at the sole discretion of Southwest Costume Rentals LLC Management. You are also responsible for loss of use and you shall fully compensate us for the loss of use of the Costumes during the time they are being repaired or replaced, as applicable.

3. Protection of Others. You will take reasonable precautions in regard to the use of the Costumes while in Your care, custody or control to protect all persons and property from injury or damage. The Costumes shall be used only by Your (or your payroll service company's) employees or agents qualified to use the Costumes.

4. Condition of Costumes. You assume all obligation and liability with respect to the possession of Costumes while in Your care, custody or control, and for their use, condition and storage during the term of this Agreement, (reasonable wear and tear excepted) except as otherwise set forth herein. The rent on any of the Costumes will not be prorated or abated while the Costumes are 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 Costumes, except as otherwise specially agreed or as may be within the course and scope of employment by you.

6. 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 Southwest Costumes Rentals LLC. as "SWCR". You will not remove, obscure, or deface the inscription or permit any other person to do so. Lessee will be charged \$30 each for removal of each barcode.

7. Clearances. You shall be solely responsible for obtaining any licenses or clearances necessary to display trademarks or other protected intellectual property in connection with the Costumes. You agree to defend, indemnify and hold Us harmless from any and all Claims arising out of Your failure to comply with the foregoing. Clearance for use and/or portrayal of uniforms, insignias, etc. is the sole responsibility of the Lessee.

### **Rental Periods and Terms**

1. Rentals Periods/Miscellaneous. Lessor has two rental periods; Weekly (1-7 days) commencing on the day the Costumes leave Lessor's premises. If the Costumes are not returned within the week, the Lessee will be charged the full initial Production Rental (2-14 weeks) Fees, subject to the terms. Production (2-14 weeks) commencing on the day the costumes leave the premises. A

Production Rental is defined as any Article rented for 8 days to 14 weeks. Lessee shall pay the Initial Production Fee. If an Article is rented for more than 14 weeks Lessee shall pay 5% per week of the initial Production Rental Fee for each article up to 24 weeks. After 24 weeks original production rental rate applies. No allowance will be made for the rental period when Costumes remained in Lessee's possession but was not in use. All terms and conditions apply. Additional rental charges will be billed if Costumes are not returned within the initial rental period requested. Lessee is not permitted to sub-lease Costumes.

2. Returns. Upon the expiration date of this Agreement with respect to any or all Costumes, Lessee shall be responsible for the return of all Costumes, free from any damage and in the same condition and appearance as when received (reasonable wear and tear excepted), together with all accessories. Costumes must be returned in the same order as listed on the rental sheets.

3. Cleaning Charges. Costumes must be returned dry cleaned. Costumes returned not cleaned will result in the cleaning fee laid out in the pull sheet. Cleaning fees are normally 50% of the rentals price. Prices may vary.

4. 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 Costumes (if the Costumes can be restored, by repair, to their 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 calculated at the rental rate provided for in this Agreement. Accrued rental charges shall not be applied against the purchase price or cost of repair of the lost, stolen or damaged Costumes. 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.

5. Deposits. For Credit Card Accounts and at the discretion of Southwest Costume Rentals a 50% upfront deposit on all rentals may be due immediately upon Lessee taking care, custody or control of the Costumes. This can be paid for via credit card, debit or check. Check must clear before Costumes are taken into Lessee's care, custody or control. No checks will be held. Deposits will be credited toward the total rental and the remaining amount will be due per the terms.

6. Terms. The remainder of any invoice will be due 30 days after the invoice date.

7. Holds. Holds will be kept in the hold line for one (1) week at no charge. After one week, Costumes will be returned to stock and a 10% restocking fee will be charged. Lessee will inform Lessor in writing if it wishes to extend the hold period after 1 week. Post production holds 5% of production rental fee per week.

8. Pulls. SWCR extends a three (3) day free pull for fittings. Any costumes not returned by the 3rd working day will be charged a full weekly rental price. The 10% restocking fee applies.

9. Cancellations. A rental is considered an order once it is written up. Any cancellation at that point is subject to a 10% restocking fee.

10. Payment. Invoices are due and payable in full within the terms stated on the invoice. All invoices not paid within the term will be subject to a 2% per month charge on the delinquent balance. A past due invoice may cause delay on future orders or result in the cancellation of the account. Lessor will refer all past-due accounts to a collection agency. All collection costs, attorney fees or court costs plus late fees shall be charged to the Lessee once an account has been referred to a collection agency. Company checks are accepted. Personal checks are accepted with a State Issued ID or Drivers License. No temporary checks accepted. All returned checks will be subject to a \$50.00 processing fee. We do not re-deposit checks. Cash, Money Order or Cashier's Checks are accepted for payment of returned checks. No changes to these policies will be honored unless they are in writing and approved by Lessor prior to the start of any transactions.

11. Default - If Customer fails to pay any portion or installment of the total fees due and payable hereunder they 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 at any time Customer's financial condition so warrants or if Customer fails to make payment(s) when due or defaults in any way, Southwest Costume Rentals LLC may alter the terms of payment, suspend credit and delay shipment, or pursue any remedies available at law or in equity, we shall have the right, at our option, to terminate this Agreement and cease performance hereunder. Southwest Costume Rentals LLC shall have the option to retake possession of the Costumes if the default continues for more than five (5) days and, for such purpose, SWCR, its agents, or employees may enter any premises when the Costumes may be and may remove the same with our without notice.

12. Information. Lessee must complete a Production Information sheet prior to any costumes leaving the rental house premises. A separate information sheet must be filled out for each show.

## **Insurance**

1. 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 Costumes 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 Costumes, from the time the Costumes are picked up by you or a shipper at our place of business or placed upon a common carrier for forwarding to you, as applicable, until the Costumes are returned to and accepted by us, including, without limitation, during the process of loading and unloading. 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 Costumes and shall cover all risks of loss of, or damage or destruction to the Costumes. The Property Insurance coverage shall be sufficient to cover the Costumes at their replacement value but shall, in no event, be less than \$1,000,000. The Property Insurance shall be primary coverage over our insurance.

2. 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 coverages: standard contractual liability, personal injury liability, completed operations, and product liability. The Liability Insurance shall provide general liability aggregate limits of not less than \$2,000,000 (including the coverage specified above) and not less than \$1,000,000 per occurrence.

3. 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 Property rented/leased shall not affect your obligation to procure insurance on our behalf, or otherwise affect your obligations under this Agreement.

4. Automobile Liability insurance covering all owned, non-owned and hired vehicles with a combined single limit for bodily injury and property damage of not less than \$5,000,000 each occurrence.

5. 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.

6. Certificates of Insurance. Before obtaining possession of the Costumes you shall provide to us Certificates of Insurance confirming the coverages specified above. All certificates shall be signed by an authorized agent or representative of the insurance carrier.

7. Accident Reports. If any of the Costumes are damaged, lost stolen, or destroyed, or if any person is injured or dies, or if any property is damaged as a result of the Costumes 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.

**Entire Agreement**

1. This Agreement, and any attached invoices and 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<sup>6</sup> or in the attached schedules will be binding on any of the parties unless set forth in writing and signed by both parties. This Agreement may not be amended, modified, or altered in any manner except in writing signed by both parties.

2. Facsimile/Scanned Signature. This Agreement may be executed in counterparts and by facsimile signature or signature that is scanned and transmitted by e-mail; such forms of signature shall be deemed to be original and fully binding.

3. Information. Lessee must complete a Production Information sheet prior to any costumes leaving the rental house premises. A separate information sheet must be filled out for each show.

**ACKNOWLEDGED AND AGREED BY AUTHORIZED REPRESENTATIVE:**

X \_\_\_\_\_ DATE: \_\_\_\_\_ (LESSOR) PLEASE PRINT YOUR NAME

X \_\_\_\_\_

LESSOR SIGNATURE Southwest Costume Rentals, LLC

X \_\_\_\_\_ DATE: \_\_\_\_\_ (LESSEE) PLEASE PRINT YOUR NAME

X \_\_\_\_\_

LESSEE SIGNATURE