

Hard Knock Industries LLC
3853 Knight Dr.
Whites Creek, TN 37189
615/319-1329

This lease agreement covers:

Equipment set forth in quotes, invoices, lease schedules and other lease schedules

Hard Knock Industries LLC, hereafter referred to in this agreement as "Lessor," and _____, or its successors hereafter referred to in this agreement as "Lessee," do agree to the following terms and conditions in connection with the production of the project currently titled _____:

1. INDEMNITY. Lessee agrees to indemnify and held Lessor harmless from any and all claims, actions, causes of action, suits, proceedings, costs, expenses, demands, rights, damages and liabilities, including reasonable attorney fees, compensation, and loss of profit ("Claims") arising out of, connected with, or resulting from the rental/lease of any equipment and vehicles ("Equipment") hereunder provided, including, without limitation, as a result of its use, maintenance, or possession, irrespective of the cause of the claim except as the result of Lessor's sole negligence or willful act, from the time Lessee takes possession of the Equipment until the time Lessee returns the equipment as described below.
2. LOSS OF OR DAMAGE TO EQUIPMENT. Lessee is responsible for loss, damage or destruction of 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 Lessee's premises, except that Lessee is not responsible for damage to or loss of Equipment caused by Lessor's sole negligence or willful misconduct. Lessee is also responsible for loss of use and Lessee shall fully compensate Lessor for the loss of use of the Equipment during the time it is being repaired or replaced, as applicable.
3. PROTECTION OF OTHERS. Lessee will take reasonable precautions in regard to the use of Equipment to protect all persons and property from injury or damage. Equipment shall be used only by Lessee's employees or agents qualified to use Equipment.
4. EQUIPMENT IN WORKING ORDER. Lessor has tested Equipment in accordance with reasonable industry standards and found it to be in working order immediately prior to the inception of this Agreement and Associated Schedules; it is fit for its intended purpose. Other than what is set forth herein, Lessee acknowledges that Equipment is rented/leased without warranty, or guarantee, except as required by law.

5. **PROPERTY INSURANCE.** Lessee shall, at its sole 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) theft from unattended vehicles (v) loss of use of Equipment, from the time Equipment leaves Lessor's place of business until Equipment is returned to Lessor's place of business and accepted by Lessor. Policies with locked vehicle warranties or unattended vehicle exclusions are not acceptable. Property Insurance shall be on a worldwide basis, shall name Lessor as an additional insured and as the loss payee with respect to Equipment, and shall cover all risks of loss of, or damage or destruction to Equipment. Property Insurance coverage shall be sufficient to cover Equipment at its replacement value without allowance for depreciation but shall, in no event, be less than \$250,000.00. Property Insurance shall be primary coverage over Lessor's Insurance.
6. **VEHICLE INSURANCE.** Lessee shall, at its sole expense, maintain business motor vehicle liability insurance ("Vehicle Insurance"), including coverage for loading and unloading Equipment and hired motor vehicle physical damage insurance, covering owned, non-owned, and hired and rented vehicles, including utility vehicles such as trailers. Coverage for physical damage shall include "comprehensive and "collision" coverage. Lessor 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. Vehicle Insurance shall also include coverage for pollution caused by any vehicles. Vehicle Insurance shall provide not less than \$1,000,000.00 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 Lessor's insurance.
7. **WORKERS COMPENSATION INSURANCE.** Lessee shall maintain workers compensation insurance in such an amount as required by law for bodily injury of its employees, and will indemnify Lessor for any such injury.
8. **LIABILITY INSURANCE.** Lessee shall, at its sole 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 Lessor 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 \$1,000,000.00 per occurrence.

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 Lessee as against Lessor. Lessee shall hold Lessor 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, Lessee shall promptly pay the deductible amount or self-inured retention or the applicable portion thereof to us. Notwithstanding anything to the contrary contained in this Agreement, the fact that a loss may not be covered by insurance provided by Lessee under this Agreement or, if covered, is subject to deductibles, retentions, conditions or limitations shall not affect Lessee's liability for any loss. Lapse or cancellation of the required insurance shall be deemed to be an immediate and automatic default of this agreement. The grant by Lessee of a sublease of the Equipment rented/leased shall not affect Lessee's obligation to procure insurance on Lessor's behalf, or otherwise affect Lessee's obligations under this Agreement. It is important to understand that furnishing a certificate of insurance may not fulfill all of the Lessee's obligations under the Rental Agreement. If Lessee's limit of insurance is inadequate or exclusions are non-inclusive, Lessee will be responsible for the difference between the amount of insurance and the actual loss.
10. **CANCELLATION OF INSURANCE.** Lessee and Lessee's insurance company shall provide Lessor with not less than 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.
11. **SUBROGATION.** Lessee hereby agrees that Lessor shall be subrogated to any recovery rights Lessee may have for damage to Equipment.
12. **VALUATION OF LOSS/LIMITED LIABILITY.** Lessee shall be responsible to Lessor for the replacement cost value without deduction for depreciation or repair cost of Equipment (if Equipment can be restored, by repair, to its pre-loss condition) whichever is less. Lessor's determination whether the damaged equipment shall be replaced or repaired shall be conclusive. If there is a reason to believe a theft has occurred, Lessee shall file a police report. Loss of use shall be calculated at the rental rate provided for this Agreement or Associated Schedules. 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 Lessor is responsible, Lessor's liability will be limited to the contract price and Lessor will, in no event, be liable for any consequential, special or incidental damages.
13. **CERTIFICATES OF INSURANCE.** Before obtaining possession of Equipment you shall provide to us Certificates of Insurance confirming

coverages specified above. All certificates shall be signed by an authorized agent or representative of the insurance carrier and sent to Lessor directly by the authorized agent or representative of the insurance carrier. Please list as follows: Hard Knock Industries LLC, 3853 Knight Dr. Whites Creek, TN 37189, Phone: 615-319-1329, Email: Justin@hardknockindustries.com. Hard Knock Industries LLC must be listed as "Loss Payee" and "Additional Insured" without exception.

14. **DRIVERS.** Any and all drivers who drive the Vehicles rented from Lessor shall be determined by Lessee to be duly licensed, trained, and qualified to drive vehicles of this type. Although Lessor may, from time to time, recommend drivers, Lessor does not supply drivers. Lessee must supply and employ any driver who drives Lessor's vehicles (even if the driver is the registered owner of the vehicle or owner of the company that owns the vehicle) and that driver shall be deemed to be Lessee's employee for all purposes and shall be covered as an additional insured on all of Lessee's applicable insurance policies.
15. **ACCIDENT REPORT.** 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, Lessee will promptly notify Lessor of the occurrence, and will file all necessary accident reports, including those required by law and those required by applicable insurers. Lessee, Lessee's employees, and agents will cooperate fully with Lessor and all insurers providing insurance under this Agreement in the investigation and defense of any claims. Lessee will promptly deliver to Lessor any documents served or delivered to Lessee, Lessee's employees, or Lessee's agents in connection with any claim or proceeding at law or in equity begun or threatened against Lessee, Lessor, or both.
16. **COMPLIANCE WITH LAW AND REGULATIONS.** Lessee agrees to comply with the laws of all states in which 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, Lessee shall at all times (i) display all necessary and proper placards (ii) obtain all necessary permits; and (iii) keep all required logs and records. Lessee shall indemnify and hold Lessor 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 Lessee's possession or use of Equipment including, without limitation, the full replacement value of Equipment in the event of seizure or impound, including Lessor's reasonable costs and attorney's fees. When applicable, Lessee shall provide US DOT placards and registration numbers on all motor vehicles in Lessee's use.

17. **BAILMENT.** This agreement constitutes an Agreement or bailment of Equipment and is not a sale or the creation of a security interest. Lessee will not have, or at any time acquire, any right, title, or interest in Equipment, except the right to possession and use as provided for in this Agreement. Lessor will at all times be the sole owner of Equipment.
18. **CONDITION OF EQUIPMENT.** Lessee assumes all obligation and liability with respect to the possession of Equipment, and for its use, condition, and storage during the term of this Agreement. Lessee will, at its sole 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 Lessee is liable. Lessor will not be under any liability or obligation in any manner to provide service, maintenance, repairs, or parts for the Equipment. 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. Lessee agrees not to attempt to make any repairs or modifications of any nature, kind, or description.
19. **NO RESPONSIBILITY FOR THE PROPERTY OF OTHERS.** Lessor is not a warehouseman or Bailee for hire and will bear no legal responsibility for any personal property, intellectual property or equipment of Lessee or any other property which is brought onto or left at Lessor's premises or vehicle. Lessee alone shall bear full responsibility for any and all costs, risk of loss, injury or damage associated with the storage, transportation or use of such property, or its return to its rightful owner. Lessee hereby indemnifies and holds harmless Lessor and its employees or agents with regard to any such claim; Lessor is not responsible for the performance or non-performance of personal Equipment that Lessee allows to be used in conjunction with Lessor's Equipment and provides no liability coverage for such personal Equipment.
20. **EXPENSES.** Lessee will be responsible for all expenses, including but not limited to fuel, lubricants, tire damage, batteries, glass, towing, lock outs, jump starts, tire service, fuel deliveries, fees, fines, costs, assessments and all other charges in connection with the operation of the Equipment or Vehicles. Vehicles and Trailers are designated for on road use only.
21. **DEFAULT.** If Lessee fails to pay any portion or installment of the total fees payable hereunder or Lessee otherwise materially breaches 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. Lessee further agrees 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. **ADDITIONAL EQUIPMENT.** Additional equipment may from time to time be added to the subject matter of this Agreement as agreed on by both parties. Any additional property will be added in an amendment describing the property, the rental rate and stipulated loss value of the Additional Equipment.
23. **AGREEMENT TERM.** This Agreement shall run for this rental and for all subsequent rentals for one (1) year from the date written below and will automatically renew for successive one year terms or until Lessors terms and conditions are modified or terminated by Lessor.
24. **COLLECTION AND APPLICABLE LAW.** Lessee has five (5) business days to question or dispute any items or charges on Lessor's invoice. Failure to do so shall waive any right to dispute such charges, and they shall be deemed accepted and approved by Lessee. All sums owed by Lessee under this agreement are payable upon receipt of invoice and not later than net 10 days. Payments due for 30 days or more shall be considered past due and shall bear the interest rate of two (2%) percent per month or any portion thereof or the maximum permitted by law, whichever is greater. An invoice past due shall have any applied discounts removed and full rental rates reinstated. This Agreement shall be governed by the State of Tennessee and Lessee agrees to accede to and not contest the jurisdiction of the courts of the State of Tennessee in any proceedings brought by Lessor against Lessee and Lessee further agrees that any proceedings which it may institute arising from or resulting from this Lease shall be brought in Davidson County in the State of Tennessee. Lessee agrees to pay Lessor's collection costs and attorney's fees in having to enforce the Terms and Conditions of this Agreement.
25. **SALES TAX.** Rentals are subject to sales tax at the rate of 9.25%. Tax-exempt customers must have a current State of Tennessee Sales Tax Exemption Certificate on file prior to the commencement of a rental.
26. **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.
27. **ARBITRATION.** Any controversy or claim arising out of or related to this Agreement will be settled by arbitration in Davidson County in the State of Tennessee. A single arbitrator under jurisdiction of and then current rules of the American Arbitration Association will conduct the arbitration. The decision and award of the arbitrator will be final and binding and any award may be entered in any court having jurisdiction. The prevailing party in any

such arbitration shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief granted.

- 28. ENTIRE AGREEMENT. This agreement contains the entire understanding between the parties. No oral modification, even by an employee of Lessor, can modify this Lease. This Agreement and any associated 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 associated schedules will be binding on any of the parties unless set forth in writing and signed by both parties.

- 29. WARRANTY OF AUTHORITY. By execution hereof, you agree that you are an authorized agent or employee of the Lessee identified in Agreement with full authority to enter into and bind Lessee to this Agreement.

LESSOR:

NAME/TITLE: Justin Hughes, owner

DATE:

LESSEE:

COMPANY:

NAME/TITLE:

DATE:
