

## TERMS & CONDITIONS

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This is an EQUIPMENT RENTAL AGREEMENT entered into by and between \_\_\_\_\_ (“Lessee”) and CineMechanics, Inc. entered into the and date hereinafter set forth.

1. Lessee (The Customer) has selected the “Equipment” based on their needs and requests and Lessee understands and agrees that said “Equipment” is rented to Lessee without any warranty or guaranty of any kind, expressed or implied, and that CineMechanics, Inc. assumes no responsibility for the “Equipment” as being fit for any particular purpose whatsoever. Lessee assumes the entire responsibility for “Equipment” nonperformance and agrees that the “Equipment” selected by them is fit for their intended use and purpose.
2. Lessee acknowledges that it has inspected and tested all “Equipment” at the time of rental. Lessee represents and warrants that they will process and/or view their footage daily.
3. CineMechanics, Inc. is providing “Equipment” in good working order and accordance to reasonable industry standards but shall not be responsible to Lessee for any claims by Lessee for alleged loss of profits, damages, delays, expenses or any claim whatsoever to have arisen out of Lessee’s use of “Equipment”. In the event “Equipment” is not functioning and/or damaged Lessee shall notify CineMechanics, Inc. immediately in writing of any malfunction and/or alleged damage of any “Equipment”. CineMechanics, Inc. shall have the option of substituting other like “Equipment” in exchange for the returned “Equipment” or canceling this agreement and recalling all “Equipment”. The rental charges for all “Equipment” so returned to CineMechanics, Inc. shall be abated from the time of acceptance and return. Likewise, rental charges shall accrue and be owed based on a daily rental period at the standard rate for any replacement “Equipment”.
4. Lessee shall only allow the “Equipment” to be used by duly qualified and/or licensed technicians and only in strict accordance with its intended use. Lessee shall keep the “Equipment” in their sole custody and shall not permit the “Equipment” to be used in violation of any laws.
5. Lessee assumes all risk of loss whether or not covered by Lessee’s insurance coverage. Lessee is deemed to have taken constructive possession of the “Equipment” the moment “Equipment” is set aside from the CineMechanics, Inc. general inventory. Lessee’s responsibility shall include, but not be limited to, risks while in transit or international customs, at all locations named and unnamed, at all studios, while on Lessee’s premises, while in use, and while in storage on the rental facility’s premises for the benefit of or at the request of the Lessee. Lessee is responsible for picking up and returning the “Equipment” to/from the rental facility during normal business hours. If the Lessee does not pick up and/or return the “Equipment” at the rental facility, Lessee is responsible for the cost of transportation and the risk of loss for “Equipment” in transit.
6. Lessee is responsible for all property (including but not limited to camera(s), props, sets, & wardrobe) stored and/or transported by CineMechanics, Inc. for Lessee’s ultimate use. CineMechanics, Inc. shall be acting as the agent of Lessee in storing and/or transporting property which belongs to third party(ies). All risk of loss to third party property which is transported or stored by CineMechanics, Inc. for the benefit of Lessee shall be the responsibility of Lessee.
7. Lessee must insure all Equipment and/or Vehicle(s). Lessee shall at their expense, and at all times during the rental, maintain in full force and effect insurance covering all Equipment and/or Vehicle(s) rented, from all sources, for the full replacement cost without deduction for depreciation, except Vehicle (s) which are valued at actual cash value, and for loss of use (rents) of the Equipment and/or Vehicle(s). Any rented Vehicle will need Auto Physical Damage as Primary for CineMechanics, Inc. Lessee shall deliver to CineMechanics, Inc. evidence of Lessee’s insurance coverage prior to Lessee taking either constructive or actual possession of the Equipment and/or Vehicle(s). Lessee will forward a Certificate of Insurance evidencing Lessee’s liability, automobile, property and worker’s compensation insurance with a reputable insurance carrier acceptable to CineMechanics, Inc. that complies with coverage requirements as enumerated within this rental agreement.
  - a. Property Insurance. Lessee’s insurance should be on a worldwide; replacement cost basis without deduction for depreciation, shall name CineMechanics, Inc. as Loss Payee for loss or damage to the property rented; shall cover “Special Form” of loss or damage to Equipment; Vehicle physical damage coverage shall include the perils “Comprehensive” and “Collision”; and all policies shall provide for 30 days written notice to CineMechanics, Inc. before any policy shall be cancelled. In determining whether the Equipment shall be repaired or replaced, CineMechanics, Inc. judgment shall be conclusive upon Lessee. Limits shall be sufficient to encompass all property at risk, regardless of source.
  - b. Liability Insurance. Lessee shall name CineMechanics, Inc. as an additional insured on their liability insurance. Lessee’s liability insurance shall meet the following minimum limits: Commercial General Liability \$1,000,000 per occurrence and annual aggregate; Automobile Liability (including non-owned and hired automobiles) \$1,000,000 combined single limit; Foreign Liability, if filming outside of the United States and Canada, \$1,000,000 per occurrence; Aircraft Liability, if filming from any aircraft, \$5,000,000; Watercraft Liability, if filming from any watercraft, \$5,000,000.
  - c. Lessee’s property, automobile and liability coverage is the primary coverage for Equipment and/or Vehicle(s) and said coverage must be issued on a non-contributory basis. Furthermore, Lessee’s insurance carrier agrees that the rights of CineMechanics, Inc. under Lessee’s insurance policy shall not be affected by any act, neglect or breach of condition by the Lessee, other than non-payment of premium. Lessee shall remain primarily liable to CineMechanics, Inc. for full performance under the terms and conditions of this rental contract in the event of a dispute with their insurance carrier and for uninsured losses. Lapse or cancellation of Lessee’s insurance, as required by this contract, shall allow CineMechanics, Inc. to immediately and automatically terminate this contract, at their option.

8. Lessee specifically acknowledges CineMechanics, Inc. superior title and ownership of the "Equipment" and must keep the "Equipment" free of all liens, levies and encumbrances. Lessee may not assign or pledge the "Equipment".

9. Lessee agrees to indemnify, defend and hold harmless CineMechanics, Inc. and its officers, employees, agents and licensees against any and all claims, actions, damages, liabilities and expenses arising from the use, condition (including, without limitation, latent and other defects) or operation of the "Equipment" and by whomsoever operated. This indemnification shall survive the term of the rental contract.

10. Lessee must return the Equipment on the date specified in the Rental Contract or Purchase Order or be subject to additional charges for the additional rental days at full rate or an agreed upon rate between the Lessee and CineMechanics. If Lessee returns the Equipment in damaged or non-working condition, Lessee will make every effort to provide payment for needed repairs to bring equipment back to original working order.

11. This agreement shall be governed by the laws of the State of Minnesota. The rental contract shall be deemed to have been made in the County of Hennepin, and shall be interpreted and the rights and liabilities of the parties determined, in accordance with the laws of the State of Minnesota.

12. Electronic records and signatures may be used in connection with the execution of this Contract and will be as legally valid and enforceable as if it were physically executed. The signed rental contract and The Terms and Conditions constitute the entire agreement between CineMechanics, Inc. and the Lessee. Any changes must be made in writing and signed by both parties.

13. CineMechanics, Inc. shall mean Cine Mechanics, Inc. and/or any of its subsidiaries. Equipment shall mean "all Equipment" and/or Vehicle(s).

14. Lessee authorizes CineMechanics, Inc. to clear the Recording Media of any and all images, content or data upon return of the Equipment. It shall be the sole responsibility and obligation of the Lessee to backup and protect their media content. Lessee will hold CineMechanics, Inc. harmless for any violation and/or use of intellectual property rights (including but not limited to breach of confidentiality) arising from Lessee's images, content, or data being left on the Equipment.

15. If Equipment becomes non-working during the lease period, Lessee can deduct itemized rental price of that item from CineMechanics itemized invoice for the time they are required to sub-rent that piece of equipment. Once the issue involving the Equipment is resolved CineMechanics will again be the provider of that rental item(s) to the production.

As an authorized representative of the organization listed above, I have read and hereby agree to the terms and conditions set forth in this agreement.

\_\_\_\_\_  
SIGNATURE OF AUTHORIZED REPRESENTATIVE OF LESSEE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
TYPE OR PRINT NAME