

# Cinequipt, Inc. Terms and Conditions

These terms and conditions form part of the rental contract (the "Rental Contract") between YOU ("Lessee") and Cinequipt, Inc. (the "Rental Company") and apply to all equipment, facilities, and/or vehicles rented by you, the Lessee.

## Pre-Production – Testing the Equipment

"Equipment" means all types of production equipment or other supplies and/or vehicles rented to Lessee under the Rental Contract. Lessee will always have an opportunity to test and examine the Equipment at the rental facility to determine that the equipment is in good working order.

## Transporting Equipment – Pickup & Delivery

Lessee will pickup and return the equipment at the Rental Company's facility during its normal business hours. At the Lessee's request and expense, the Rental Company may arrange shipment of the Equipment to Lessee's designated location. Lessee is responsible for all costs incurred during transit. The Rental Company is not responsible for shipping delays once the Equipment is delivered to Lessee's carrier. The Rental Company will not accept collect shipments from Lessee.

## Lessee's Responsibilities Regarding the Equipment

### Lessee Assumes All Risk of Loss

Once Lessee or their agent accepts the equipment at pickup or begins to prepare the Equipment for rental, Lessee's responsibility includes, but is not limited to the following risks: 1) while in transit, 2) at all locations, 3) at all studios, 4) while on Lessee's own premises and while in use, 5) or in storage on the rental facility's premises.

### End of Lessee's Responsibility

Lessee's responsibility ends when the Equipment is returned and the rental term has expired. Equipment will not be deemed to have been returned until all of the following conditions have been met: 1) Equipment has been delivered back to the premises during normal business hours. 2) an inventory has been completed and a missing and damaged list has been compiled, if needed, & 3) the term of the Rental Contract has expired.

### Lessee is Responsible For All Equipment Being Stored For Lessee by the Rental Company

Lessee is responsible for all equipment that is picked up or stored by the Rental Company for Lessee's ultimate use. All risks of physical loss to property that is transported or stored by the Rental Company for Lessee's benefit shall remain Lessee's responsibility.

## Restrictions on the Use of the Equipment

### Local Use Only Unless Otherwise Agreed in Writing

### Use by Qualified Technicians Only

Only Lessee's duly qualified employees and/or agents may use the Equipment in strict accordance with the use contemplated in the Rental Contract. Lessee shall keep the Equipment in Lessee's sole custody and shall not permit the Equipment to be used in violation of any laws.

### Do Not Remove Serial Numbers or Company Logos

### No Warranty or Guaranty

Equipment is rented to Lessee without warranty or guaranty of any kind, expressed or implied, and the Rental Company assumes no responsibility unless agreed to in writing.

## Equipment Damaged or Destroyed While in the Field

### Damaged Equipment

As soon as Lessee discovers that Equipment in the field is damaged, Lessee shall notify the Rental Company of the problem. Upon return of damaged Equipment, the Rental Company will make a determination of the damage and the required repairs. Lessee and/or Lessee's representative(s) will have a reasonable amount of time to inspect the damage. In determining whether the Equipment shall be replaced or repaired, the Rental Company's judgement shall be conclusive upon Lessee.

### Lost, Stolen, or Destroyed Equipment

In the event that after delivery to Lessee, any of the Equipment is lost, stolen, damaged beyond repair, or destroyed, Lessee will be responsible for the cost to replace the same item or the closest comparably equipped model including betterment's, at current retail prices less any discounts available, without deduction for depreciation. In all instances immediately report any missing, lost or stolen Equipment to the Rental Company and file a report with the local authorities. The Rental Company requires a copy of the police report.

## Rental Charges & Late Charges

Lessee must return the Equipment on the date specified in the Rental Contract or be subject to additional charges. If Lessee returns the Equipment in damaged or non-working condition, the lease period will be extended by the shortest reasonable time necessary to repair such damage or replace non-repairable Equipment and return the item(s) to the Rental Company's reasonable satisfaction. The acceptance of the return of the damaged Equipment by the Rental Company is not a waiver of any claims that it may have against the Lessee.

Rental charges for the damaged or non-working item(s) shall accrue at full rental rate for the item irrespective of any package discounts or other discounts agreed to at the inception of the Rental Contract, unless the item(s) is repaired or replaced and the invoice for damages has been paid in full to the Rental Company. If requested, Lessee shall advance the money in order to allow the Rental Company to repair or replace the Equipment.

## Credit Information & Payment Terms

The terms of payment are based upon credit information Lessee supplies at the time of rental. Should there be any change in such information; Lessee agrees that the Rental Company may demand immediate payment without prior notice.

## Payment Terms

Rental invoices and loss and damage invoices are payable upon receipt of Invoice and not later than net thirty (30) days if Lessee has been granted a terms account by the Lessor. Payments not paid within such thirty (30) days or more shall be considered past due, and a past due or late charge may be assessed which Lessee agrees to pay. If the Rental Company places the account in the hands of an attorney or other agency for collection, Lessee agrees to pay reasonable collection costs, attorney fees and court costs.

If a credit card is used for payment, a collateral deposit may be made on the credit card during the rental event to guarantee the equipment is returned in the condition it was received and to guarantee payment for any damage, repairs, replacement, or rental fees. The deposit will be released once the equipment has been safely and satisfactorily returned to the Rental Company. Any dispute related to credit card charges will be governed by these Terms & Conditions.

## Rental Payments Do Not Apply to Purchase Price

## Cancellation Penalties

The Rental Company shall be entitled to compensation, not to exceed the lease payments, for any losses the Rental Company may sustain because of cancellation of all or part of an order.

## Insurance Requirements

### Lessee Must Insure the Equipment

Lessee shall, at their own expense, and at all times for the duration of the rental, maintain in full force and effect insurance covering all equipment rented, from all sources, for full replacement cost, except vehicles which are at actual cash value, and for loss of use (rentals) of the Equipment. Coverage must begin from the time Lessee or it's agents accepts the Equipment or begins to prepare it for Rental, and continue until the time the Equipment is returned. Lessee shall deliver to the Rental Company evidence of the insurance coverage, typically a Certificate of Insurance satisfactory to the Rental Company, showing General Liability Coverage of no less than \$1,000,000 per occurrence, Property Insurance, Auto Liability Coverage of at least \$1,000,000 Combined Single Limit (CSL), Auto Physical Damage Coverage of at least \$60,000, Worker's Compensation Insurance, and umbrella liability of at least \$1,000,000 prior to taking possession of the Equipment. Such insurance shall be written by insurers acceptable to the Rental Company, and Lessee's insurers must agree to be the primary insurers of such Equipment during the rental period. Certificate of insurance must evidence that Lessee's insurer has agreed to provide coverage on a Primary and Non-Contributory basis. Certificate must show the Rental Company as an additional named insured & must evidence a 10-day notice of cancellation. Notwithstanding this paragraph, Lessee shall remain primarily liable to the Rental Company for full performance under the terms and conditions of the Rental Contract. The Rental Company may enforce its remedies directly against you without resort to your insurance. Inquire about specific policy requirements and acceptable minimum coverage.

### The Rights of the Rental Company are not Affected by Lessee's Non-Performance

Lessee's insurers shall agree that the rights of the Rental Company under the insurance coverage as described in the preceding paragraphs shall not be affected by any act, neglect, or breach of

condition by Lessee, other than non-payment of insurance premiums. Should you fail to procure or pay the cost of maintaining in force the insurance specified in the Rental Contract or to provide the Rental Company upon request with satisfactory evidence of the insurance, the Rental Company may, but shall not be obligated to, procure the insurance and Lessee shall reimburse the Rental Company on demand for its cost. Lapse or cancellation of the required insurance shall be an immediate and automatic default of this agreement.

## Uninsured Fee

If Lessee is unable to provide acceptable evidence of insurance coverage, the Rental Company may offer to rent the equipment to the Lessee and charge an Uninsured Fee of 12% of the rental total. This fee provides no access to any form of insurance coverage that the Rental Company possesses, nor does it provide any all risk replacement cost indemnification to the Lessee. The Lessee remains entirely responsible for any damage and/or loss to the equipment while in their possession. The Rental Company may also require a cash deposit, an authorized credit card, or an established open credit account for up to the full replacement cost value of the equipment being rented. The Rental Company also reserves the right to limit the amount of rental equipment that the Lessee may rent if they don't have acceptable proof of insurance.

## Rental Vehicles

THE RENTAL COMPANY DOES NOT ACCEPT RESPONSIBILITY FOR UNSAFE OR UNQUALIFIED DRIVERS HIRED BY LESSEE. LESSEE ACCEPTS COMPLETE RESPONSIBILITY FOR VERIFICATION OF THE GOOD DRIVING RECORDS OF THE DRIVERS IT HIRES AND THAT THEY HAVE PROPER LICENSE CLASSIFICATION AND SKILLS TO OPERATE VEHICLES BEING RENTED.

This Rental Company cooperates with all Federal, State, and local law enforcement officials nationwide to provide the identity of customers who operate our rental CMV's.

## Title & Ownership

Lessee specifically acknowledges the Rental Company's superior title and ownership of the Equipment and must keep the Equipment free of all liens, levies and encumbrances.

## Right of Entry & Inspection

The Rental Company shall have the right to inspect the Equipment at any time during the rental term. Lessee shall make any and all arrangements necessary to permit a qualified employee of the Rental Company access to the location of the Equipment. If a breach of any of the provisions of the Rental Contract occurs, the Rental Company has the right to remove all of the Equipment without any liability to Lessee, and without prejudice to the Rental Company's right to receive rent due or accrued to, for the period up to and including the date of removal of the Equipment.

## Indemnifying the Rental Company

Lessee agrees to and does hereby indemnify and hold harmless the Rental Company and its agents and employees of and from any and all losses, damages, claims, demands of liability of any kind or nature whatsoever including legal expenses and costs, arising from the use, condition, (including without limitation latent and other defects) or operation of the equipment rented, and by whosoever used or operated during the term thereof. This indemnification shall continue in full force and effect during and after term of this rental for causes and matters arising during the term of this rental. The Rental Company shall not be liable for any accident or injury occasioned during the transportation, handling, sale, or use of the Equipment. Lessee knows the danger involved in the use and handling of motion picture production Equipment and similar types of Equipment and shall take all responsibility for any injuries or damages resulting from the use of the equipment.

## Miscellaneous Aspects of the Rental Agreement

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.

Accepted by: \_\_\_\_\_

Print Name: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_