



## RENTAL AGREEMENT

THIS AGREEMENT (the “**Agreement**”) is made as of the \_\_\_ day of \_\_\_\_\_ 20\_\_

BETWEEN:

\_\_\_\_\_, of \_\_\_\_\_  
Name Address (the “**Lessee**”)

AND:

Fusion Cine Sales & Rentals Inc., of 1469 Venables Street, Vancouver, BC V5L 2G1  
(“**Fusion Cine**”)

For good and valuable consideration, the receipt and sufficiency of which is acknowledged, Fusion Cine and the Lessee agree as follows.

### Rental and Term

1. Fusion Cine rents to the Lessee and the Lessee rents from Fusion Cine, the equipment and other items more particularly described in any documents (the “**Attachments**”) attached to this Agreement (the “**Equipment**”) at the rental rates specified herein and subject to all terms and conditions contained herein.
2. The Lessee shall pay Fusion Cine the full amount of all rental charges, related services, together with all applicable Federal and Provincial taxes on such rental charges and related services (collectively, the “**Fees**”) at the rate set out and on the terms and conditions contained herein or in the Attachments. In addition, the Lessee shall pay Fusion Cine for any additional items requested by the Lessee and provided by Fusion Cine, and in such a case, all such additional items shall be treated as Equipment and all such additional charges shall be included in the Fees.
3. The Fees are based on the time during which the Equipment is in the possession of the Lessee and not on the time used by the Lessee (the “**Term**”). Possession of the Equipment by the Lessee will come to an end at the date and time that the Lessee returns the Equipment to Fusion Cine’s location, in good and working order and free from defect, and such return is verified by Fusion Cine.
4. In the event the Lessee cancels the rental of the Equipment, the Lessee will provide cancellation notice to Fusion Cine and pay the cancellation fees as follows. When notice is provided:
  - a. within 2 working days prior to the commencement date of the rental, 50% of reserved rate;
  - b. within 1 working day prior to the commencement date of the rental, 75% of reserved rate;
  - c. within 1/2 working day of, or on the same day as, the commencement date, the full reserved rate.



5. Unless otherwise set out in the Attachments, the Lessee will return the equipment to Fusion Cine's location on or before 10:00 am on the day of the expected return. Fusion Cine, at its sole discretion, may extend the time for return. If the Lessee desires to extend the Term, the Lessee will request an extension, which Fusion Cine may elect to accept or reject, in Fusion Cine's sole discretion. In such a case, all provisions of this Agreement shall apply to the extended term of use and "Term" shall be deemed to include the extended term of use. Notwithstanding the foregoing:
  - a. any over holding by the Lessee of the Equipment is unauthorized;
  - b. unless otherwise agreed, in advance, the Lessee will pay rental equal to twice the daily charge for over holding; and
  - c. the provisions of this Agreement shall survive the return of the Equipment and the expiry of the Term.
6. The Lessee will cause all drivers of vehicles that form part of the Equipment to have prior written approval from Fusion Cine to act as drivers. The Lessee will pay the deductible claim or the cost of any required repairs to the such vehicles for damage caused during the Term.
7. In the event the Lessee is credit-approved, the Lessee shall make payment within 30 days. In the event the Lessee is not credit-approved, payment shall be made C.O.D. unless otherwise stated in writing by Fusion Cine. Fusion Cine may require a deposit at the time of booking the Equipment.

### **Location and Transportation**

8. The Lessee shall only use the Equipment locally unless otherwise expressly agreed to by Fusion Cine, in advance. The Lessee shall notify and obtain express prior permission from Fusion Cine if it intends to use the Equipment outside of the local municipal area or, if expressly agreed to in advance, the province or state for which it has been rented. In the event the Equipment is rented for use outside of Canada, the Lessee shall enter into an agreement with an established customs broker to handle the shipping and receiving of all rental Equipment crossing borders. All brokerage charges and shipping charges, duties, fees, and taxes are the responsibility of the Lessee.
9. The Lessee shall pay all transportation charges, including, without limitation, all brokerage charges, shipping charges, duties, fees, insurance, and taxes, from and to Fusion Cine's location unless otherwise stated. Shipment and transportation of Equipment to and from Fusion Cine's location shall be at the Lessee's risk and expense. In the event the Equipment is shipped, all shipments are FOB Fusion Cine's warehouse unless otherwise stated and all Equipment shall be returned freight and pre-paid, FOB Fusion Cine's warehouse. In the event Fusion Cine agrees to deliver the Equipment to the Lessee or to any other party to whom the Lessee directs delivery, then any person, other than Fusion Cine's employees, having custody of the Equipment during transit and delivery, shall be deemed to be the agent of the Lessee for the purpose of such delivery.
10. The Lessee assumes all risks and charges incurred as a result of using the Equipment outside of the city limits of the location of Fusion Cine's rental facility warehouse. Fusion Cine will not be responsible for the pickup, return or replacement of any Equipment that is damaged, malfunctions or fails to perform outside of the city limits of the location of Fusion Cine's rental facility warehouse.



### **Use, Inspection, Repair and Return**

11. The Lessee has inspected the Equipment or has had an opportunity to inspect the Equipment and elected not to, and the Lessee acknowledges having received the Equipment, in its entirety and is satisfied that the Equipment is in good working order without defect or material damage when received.
12. The Lessee will evaluate master media for quality control on a daily basis, using appropriate technical equipment to ensure that the Equipment is functioning properly.
13. Fusion Cine does not guarantee, assume responsibility or make any representation for the performance of Equipment. Without limiting the foregoing, Fusion Cine makes no claims or warranties in regards to the performance of any of the Equipment when used with equipment not provided by Fusion Cine.
14. The Lessee shall return the Equipment in good condition and repair and clean. If the Equipment or any part thereof is returned in an unclean state, the Lessee shall pay a cleaning charge, which shall form part of the Fees.
15. All Equipment is subject to inspection by Fusion Cine upon its return. Acceptance of returned Equipment by Fusion Cine shall not be considered a waiver for any claims it might have against the Lessee and Fusion Cine shall have a reasonable period of time to conduct a full inspection of any Equipment after its return.
16. The Lessee shall protect the Equipment from weather related damage while the Equipment is in the Lessee's possession.
17. The use of the Equipment for underwater or aerial mounted photography is strictly prohibited unless prior arrangements are made in writing with Fusion Cine.
18. The Lessee shall be completely responsible for any damages whatsoever to any of the Equipment, however caused, whether through the fault of the Lessee or otherwise, and the Lessee shall be responsible for all costs of repair of to the Equipment, including without limitation, any applicable insurance deductible. In addition, the Lessee will pay to Fusion Cine the full rental rates for such Equipment during any period for which it is unavailable while it is undergoing repairs. If the Equipment cannot be repaired or the cost of repair is unreasonable, in the sole judgment of Fusion Cine then the Lessee shall be responsible for the full replacement cost of any damaged Equipment with equivalent, new equipment, or its successor technology without deduction for depreciation. Fusion Cine may request payment in advance for the repair or replacement of damaged Equipment.
19. The Lessee shall at its own expense maintain the Equipment in a state of good repair, condition and working order. The Lessee shall not without the prior written consent of Fusion Cine make any alterations, additions or improvements to the Equipment. Notwithstanding the foregoing, and without constituting a waiver of the foregoing, all such alterations, additions or improvements so made shall



belong to and remain the property of Fusion Cine. If the Equipment becomes damaged, the Lessee shall immediately notify Fusion Cine that repairs or technical assessment are necessary. In no case shall repairs be attempted without written authorization from Fusion Cine. All repairs will be carried out at the direction of Fusion Cine.

20. The Lessee represents and warrants as follows:
  - a. that the Equipment meets the Lessee's requirements; and
  - b. that the Lessee fully understands the proper use of the Equipment.
21. The Lessee shall, at its own cost and expense, cause the Equipment to be installed, maintained and operated prudently at all times and, in compliance with the manufacturer's recommendation and the terms and conditions of this Agreement and any Attachments and all applicable laws and regulations, by competent and qualified personnel only and only for the purposes for which the Equipment was designed.
22. The Lessee shall use and maintain the Equipment's safety features at all times during which the Equipment is in the possession of the Lessee.
23. The Lessee will make all claims for non-performance or other irregularities pertaining to the Equipment by phone or in writing within twenty-four hours of such occurrence or, immediately upon malfunction or non-performance of Equipment and/or service during the course of production. Fusion Cine will not accept responsibility for malfunctions reported once production has ceased.
24. No loss or damage to the Equipment or any part of it shall affect or impair the obligations of the Lessee which shall continue in full force and effect. Fusion Cine, its employees and authorized agents shall at all reasonable times have access to the Equipment for the purpose of inspecting or testing it.
25. The Lessee agrees that Fusion Cine may substitute for the Equipment or any item of Equipment other substantially similar equipment comparable condition to that of the Equipment.
26. The Lessee shall not permit the Equipment or any part thereof to be used by any person not qualified for its use.
27. The Lessee will not remove or cover any tag or nameplate appearing on the Equipment. The Lessee will accord credit to Fusion Cine on content which may be produced with the Equipment in productions where any credits are granted.

### **Title and Possession**

28. Ownership and title to the Equipment shall remain vested in Fusion Cine. The Lessee shall have no right, title or interest in the Equipment other than to use it in accordance with this Agreement. Fusion Cine and the Lessee confirm their intent that the Equipment shall always remain and be deemed personal or movable property, and the Lessee shall not attach or affix the Equipment to any realty. The Lessee shall be responsible for any damage done to any real estate, immovable property,



building or structure by removal of the Equipment (whether removal be effected by the Lessee, Fusion Cine or any third party).

29. In the event the Lessee should fail to keep and perform any or all the terms and conditions of this Agreement or should the Lessee fail to pay any rental sum agreed hereunder in the manner and time as specified or any of the equipment be seized or attached or if a petition in bankruptcy be filed against the Lessee, Fusion Cine is empowered to take immediate possession of its equipment and Fusion Cine and its agents shall be entitled to enter any premises without notice of demand and without legal process and take possession of same and Fusion Cine and its agents may use all the force necessary to repossess the Equipment and the Lessee hereby expressly waives all claims for damages and loses, physical and pecuniary, caused by the repossession of the Equipment by Fusion Cine. The Lessee agrees to pay all costs and expenses incurred by Fusion Cine in repossessing the Equipment pursuant to this Agreement. Should Fusion Cine employ legal counsel assist in the recovery of the Equipment and in the collection of sums due under this Agreement, the Lessee shall pay all costs, expenses and attorney fees incurred by Fusion Cine.

### **Indemnity and Limitation of Liability**

30. The Lessee shall use the Equipment at its own risk. The Lessee indemnifies and saves Fusion Cine harmless from and against any and all liability, loss, damage, expense, cause of action, suits, claims or judgments, arising from injury to persons or property or death based on or arising from, out of, or in connection with the actual or alleged use, operations, delivery or transportation of the Equipment, including legal fees and costs incurred in defence of such claims. In the event of an accident involving any of the Equipment, the Lessee agrees to furnish Fusion Cine with a complete report of the same, including names and addresses of all witnesses and parties involved.
31. In no event will Fusion Cine be liable for any indirect, special or consequential damages arising out of or in connection with the delivery, use or inability to use, or performance of this Equipment, including, without limitation, damages for loss of business or good will, work stoppage, loss of information or data, or loss of revenue or profit, regardless of the legal theory asserted, whether based on breach of contract, breach of warranty, tort (including negligence), product liability, or otherwise. Even if Fusion Cine has been advised of the possibility of such damages and even if a remedy set forth herein is found to have failed of its essential purpose, Fusion Cine's aggregate and total liability under this Agreement for any and all claims arising out of this Agreement shall be limited to direct damages and shall not exceed amounts actually paid by the Lessee to Fusion Cine under this Agreement in the year during which such amounts were paid. Without limiting the foregoing Fusion Cine shall not be liable for any loss or damage of pre-recorded material, or of any kind whatsoever, whether caused by negligence or otherwise resulting from the services of technicians or services of any nature whatsoever provided by Fusion Cine.
32. Fusion Cine shall not be responsible for the performance or non-performance of any freelance personnel which it may from time to time engage on behalf of the Lessee.



### **Insurance**

33. The Lessee shall obtain and maintain for the entire Term, at its own expense, insurance for the full replacement value of the Equipment without deduction for depreciation. Prior to pick-up or delivery of the Equipment, Fusion Cine will require that the Lessee present a valid certificate of insurance naming Fusion Cine as a loss payee and as an additional insured on the Lessee's General Liability insurance. The limit of liability under the Equipment Coverage shall be at least equal to the full replacement cost of the rented Equipment (without deduction for depreciation) as dictated by Fusion Cine. All Equipment shall be valued at the full cost to repair or replace such property at the time of loss with equivalent, new equipment or its successor technology without deduction for depreciation.

### **Miscellaneous**

34. The Fees and any other amounts payable under this Agreement are payable unconditionally and absolutely net to Fusion Cine without abatement, set-off, diminution, compensation or other deduction whatsoever even if the Equipment does not operate as intended by the Lessee or at all or the Equipment is or becomes unacceptable for any other reason whatsoever.

35. Should the Lessee fail to pay any amounts required to be paid to Fusion Cine by the Lessee on the due date thereof, the Lessee shall pay to Fusion Cine, on demand, interest at the rate of twenty percent per annum compounded monthly upon such moneys due and unpaid until such payments are paid.

36. Any disputes regarding Equipment performance will be resolved by Fusion Cine, at its option, retaining a qualified engineer to investigate the dispute. Such engineer will prepare a report and if the report states that equipment failed to function properly then Fusion Cine shall refund that portion of the rental payment applicable to the period when the Equipment failed to function properly. The Lessee and Fusion Cine shall split the cost of the preparation of the report if it reveals the Equipment was not functioning properly and the Lessee shall pay the entire cost of the report and the full rental rate for the period the Equipment is not available for rental if the report states the equipment did not malfunction.

37. The Lessee will not assign any of its rights or sublet any Equipment or permit any Equipment to be in the possession of anyone but the Lessee.

38. The Lessee, at its own cost and expense, shall comply with and conform to all applicable laws, ordinances, regulations and legislation in any way relating to the possession, storage, use, and operation of the Equipment throughout the Term. The Lessee, at its own cost and expense, shall keep the Equipment free of levies, liens and encumbrances and shall pay when due all licence fees, registration fees, assessments, charges and taxes (municipal, provincial and federal) which may be levied or assessed directly or indirectly against or on account of the Equipment.

39. The person signing this Agreement represents and warrants that he has the authority of the Lessee to execute this Agreement on the Lessee's behalf, to bind the Lessee, and to pledge the credit of the Lessee where applicable.



- 40. Time is of the essence.
- 41. The insertion of headings in this Agreement is for convenience of reference only and shall not affect the interpretation.
- 42. If any term, covenant or condition of this Agreement or its application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.
- 43. Whenever the context of this Agreement so requires, the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and, in case more than one person is named as the Lessee, the liability of such persons shall be joint and several.
- 44. This Agreement constitutes the entire agreement between the parties and the Lessee acknowledges that there are no promises, inducements, representations, warranties, or conditions, oral or written, express or implied, made by or on behalf of Fusion Cine or operating in favour of the Lessee with respect to any aspect of the Equipment (including, without limitation, its condition, design, capabilities, operation, use, suitability, fitness, durability, quality, merchantability or history (for example, but without limitation, new, used, reconditioned), other than as expressly stated in this Agreement or any Attachments.
- 45. This Agreement shall be binding on and enure to the benefit of the parties and their respective heirs, executors, successors and permitted assigns.
- 46. This Agreement shall be governed according to the laws of British Columbia and the parties agree to attorn to the exclusive jurisdiction of British Columbia.
- 47. The Lessee acknowledges having received a true copy of this Agreement.

AS EVIDENCE OF THEIR AGREEMENT, the parties have executed this Agreement as of the date and year first above written.

\_\_\_\_\_  
Name of Company

\_\_\_\_\_  
Name and Title of Signatory

\_\_\_\_\_  
Signature

Fusion Cine Sales & Rentals Inc.

Byron Drinkle  
Name

President  
Title

  
Signature