

Rental Terms and Conditions effective August 1, 2010 to July 31, 2011

Pricing

Stage Size (16' high or larger) backdrop:

- First 7 Days: \$285.00 flat rate + security
- Second 7 Days: \$37.00 per day (day 8 to Day 14)
- Third 7 Days: \$25.00 per day (day 15 and up)
- Nutcracker backdrops & Scrim: First 7 Days: \$315.00 flat rate

Shipping is NOT included for Stage Size rentals.

Small Venue (15' high or smaller) backdrop:

- First 8 Days: \$200.00 flat rate + security
- Additional days: \$25.00 per day

Ground shipping is included for small venue rental; expedited shipping is extra.

Local Pickup & Return (small venue and stage size)

- Stage Size first 7 days: \$250.00 flat rate, additional days: \$25.00 per day
- Small venue first 7 days: \$150.00 flat rate; "Weekender" (Friday p.m. - Monday a.m.): \$80.00 flat rate

Pick up and return is at our facility in White Lake, NY. You need a vehicle with covered cargo space. We are not open Saturdays and Sundays.

Rental Periods

- Rental time is from the day the backdrop is shipped to the day it arrives back to Cobalt Studios. Time in transit is time that is included in this period.
- First 7 Days: Flat rate; 8th Day begins a new rental period.

Security Funds

- Stage Size: \$500.00 up to 3 rentals per Contract; additional rentals are prorated.
- Small Venue: \$250.00 up to 3 rentals per Contract; additional rentals are prorated.

***Security funds:** These are **contingency funds** that cover:

1. the cost of ONE WAY shipping from us to you.
2. the cost of any missing equipment or packing materials
3. the cost of MINOR repairs
4. late fees and cleaning of debris
 - ***Funds are returned minus the ONE WAY shipping costs** after the backdrop is returned and checked-in.
 - ***Funds are deposited** and securely held by Cobalt Studios.
 - ***Security funds paid via credit card** : refunded by Cobalt Studios check; no refund credit to the credit card.
 - *** Refund return time is determined by:** time for payment to clear our bank, receipt of shipper's invoice, time to check backdrop for damages, time to make repairs.

Before You Sign the Contract

5. Read this entire document: this is your acceptance of our terms and conditions.
1. Measure your facility carefully: there are **no refunds** if you rent backdrops that are too large or too small for your venue.

Signing the Contract

2. Check the Contract to be sure that all of the information is correct.
3. Sign and date the bottom of the Contract: this is the legal acceptance of the terms.
4. Make a copy for your files.

Returning the Contract

You can return your **signed Contract** by:

- **standard mail** - include payment & tax exempt certificate (if applicable) to: P.O. Box 79, White Lake, NY 12786.
- **FAX** - include your tax exempt certificate (if applicable) to: 845-583-7025; mail your payment and security checks.
- **scan to e-mail** - scan the Contract, tax exempt certificate (if applicable) and e-mail to: rentals@cobaltstudios.net; mail your payment checks.

* Credit cards: please call with information; do not send via e-mail.

Payment Due Date

5. Payment and security funds are **due 14 days** after you place your reservation; due date is on your Contract.
1. Your reservation is canceled if we do not receive the Contract and payment on or prior to the due date. Backdrops are then available to other customers to rent.
2. Your payment, security and signed contract hold your reservation; backdrops are not shipped without these items.

Payment Methods

3. Checks (personal, school or company).
4. Credit card: VISA, Mastercard, Discover only (no American Express).
5. No purchase orders.

Outbound Shipping (from us to you)

Shipping costs are not included with Stage Size backdrops.

6. Security funds cover shipping cost ONE WAY (from us to you).
7. Cobalt Studios does not mark up shipping costs; it is a direct reimbursement.
8. Customer will receive a copy of the UPS or Fed Ex invoice stating the direct cost of shipping ONE WAY (from us to you). Copy of invoice is sent with check-in form and security refund by mail.
9. Shipping method (ground, 2nd business day, etc.) is agreed upon and stated on the reservation Contract.
10. All UPS / Fed Ex shipping charges are determined by: weight, customer ZIP Code and method of shipping. UPS / Fed Ex set shipping costs; Cobalt Studios does not.
11. Customer's shipping account: Backdrops can be shipped on customer account.
12. Last minute rentals: \$10.00 fee to drive backdrop to UPS depot.
13. Boxes: all boxes are new when shipped; Cobalt Studios has no control over shipper treatment.
14. Shipping failures: Cobalt Studios is not liable for UPS / Fed Ex shipping failures due to weather, delivery times or other reasons beyond our control.
 - Full refund if the backdrop does not arrive on time due to the fault of Cobalt Studios.

Inbound Return Shipping (from you to us)

Stage Size rentals:

15. Pay \$ directly to shipper.
1. Insure for amount stated on Contract.
2. Ship by method stated on: Contact and as stated on box; no C.O.D.s.
3. Backdrops must be returned: on time, clean, no missing parts.
4. Do not use: US Postal Service.
5. Backdrop returns charged to Cobalt Studios account: costs will be deducted from security.

Small Venue rentals:

6. Use shipping label provided in box; follow instructions in box.
7. Insure for amount stated on Contract.
8. Ship by method stated on: Contact and as stated on box.
9. Backdrops must be returned: on time, clean, no missing parts.

Late Returns/ Early Returns

Late returns often result in another customer not getting their rental on time.

Late Returns:

Backdrops not received on the date specified in the Contract are subject to late fees.

- \$37.00 per day per Stage Size backdrop, \$25.00 per day per Small Venue backdrop until the backdrop has arrived at Cobalt Studios.
- Inbound return shipping company failures: no charge.
- Loss of another customer's reservation: Renter is responsible to compensate Cobalt Studios for lost rental fees as a result of having to cancel another customer's reservation due to late return, major repair, or theft.

Early Returns:

- Renter will receive a credit toward their next rental equal to the dollar amount of the number of days early.
- No cash refunds.

Discounts

10. Nonprofit organizations: 5% off rental total w/ tax exempt certificate; no discount shipping.

1. Gift Certificates: All renters receive a \$35 certificate in December, good for one year.
2. Holidays: no daily rental charge for January 1, Memorial Day, July 4, Labor Day, Thanksgiving, Christmas Day.
3. Frequent Renter Nonprofit: 10% off second rental total between September 1 -May 31.
4. Frequent Renter Others: 10% off third rental total between Sept. 1 - May 31.

Cancellations

If you have NOT paid for your reservation:

- Please call and cancel; we may have a waiting list.

If you have paid for your reservation:

- 10 days after payment is received: No Fee.
- 10 days + prior to shipping date: \$50.00 per backdrop; \$100.00 per backdrop for Holiday & Nutcracker Ballet.
- 9 days or less prior to shipping: \$100.00 per backdrop.
- If backdrop has been shipped: No refunds.

Missing Equipment & Packing Materials

- Return all packing materials: Ties (15¢ each), shipping bag (\$5.00), packing peanuts (\$5.00)

Loss & Damages

The Renter is responsible for damages or unauthorized treatments to any rental item while in their possession. Damage fees will be assessed up to the full value of the backdrop should it not be returned or returned damaged.

5. Basic damages: **Do NOT** - nail, tack, staple, pin, cut, tape, Velcro, wet, wad into a ball, paint, write on it, rip or alter in any manner.
1. Water Damage: **Do NOT** get it wet from rain, snow or stage effects. Do not leave outdoors, in an open bed truck or uncovered loading dock.
2. Major loss: assessed on a "per case" basis for - theft, customer accident, customer carelessness, rips over 10 inches, non repairable major burns.
3. Major repairs: assessed on a per case basis.
4. Minor repairs: Funds will be deducted from security funds.
 - Rips or cuts: \$2.00 per inch up to 10 inches.
 - Cleaning of debris: \$35.00 per hour or prorated.
 - Broken grommets: \$2.00 each.

Cleanliness & Safety

Cleanliness:

- Please sweep your stage or exhibit area.
- All backdrops must be returned clean and free of debris including but not limited to: dirt, hay, glitter, fake snow, leaves, tape, Velcro, real or fake grass, chewing gum, string, staples, feathers, and greasy footprints.

Safety:

- Two or more people are necessary to hang a backdrop.
- Hanging a backdrop alone can cause damage and be dangerous.
- **Not for outdoor use including but not limited to:** no tents, open air venues, outdoor concert venues, patios, swimming pool areas, golf courses, wedding gardens or parks.

General Terms of Liability - the LEGAL part

5. The Renter's rental contract with Cobalt Studios continues open until such time as the drop is returned and signed over to an employee of Cobalt Studios. During the term of the rental and at all times when the equipment is in the custody of the Renter, the Renter will maintain the equipment in good condition. At the end of the rental term, the Renter will, at its own expense, return the equipment to Cobalt Studios in good, clean condition.
1. The Renter assumes all risk in the use and operation of the drops and shall be responsible for providing proper safety devices and equipment to safeguard the users or operators of the drops herein rented and for installation of the drops in safe and adequate facilities, in order to comply with Federal, State and Local laws or regulations, and all industry standards.
2. The Renter expressly agrees to indemnify and hold Cobalt Studios harmless from any and all claims arising out of any law, rule, regulation or order and from any and all claims or liabilities for loss, damages or injury to persons or property of whatever kind or nature arising from the use or operation of the drops herein rented, or from the negligence or carelessness of the agents or employees of the Renter. The Renter will notify Cobalt Studios promptly of any accident involving the rented equipment.
3. The Renter agrees to pay all reasonable attorney's fees and costs incurred by Cobalt Studios in protecting its rights of the property under this agreement, or in any action or proceeding against the Renter.
4. The acceptance of the return of the equipment is not a waiver by Cobalt Studios of any claims it may have against the Renter, nor a waiver of claims for latent damages to the equipment. The Renter assumes all responsibility for the equipment rented and agrees to compensate Cobalt Studios to the extent of the full value should the drop not be returned or returned in not repairable condition, due to any cause. The Renter further agrees to compensate Cobalt Studios in rent for any time lost as a result of replacement or if Cobalt Studios has to make repairs to the damaged equipment.
5. The acceptance of any rent or payment, or portion thereof, after a default by the Renter shall not be deemed to operate as a waiver of Cobalt Studios' right to enforce the payment of rent or other payment herein provided for or to terminate this agreement and recover possession of the drops. The failure to insist upon strict compliance with the terms and conditions of this agreement, even after a breach of any provision or after default, shall not be construed as a waiver of any of Cobalt Studios' right under this agreement.
6. Rental of the equipment must be paid for the time period it is in transit, the Renter's custody and until it is physically in the custody of Cobalt Studios. No allowance will be made if the equipment is unused.
7. If the Renter defaults on any terms or in punctually making any payments, the equipment will be removed by Cobalt Studios, an agent of Cobalt Studios or by law enforcement. Upon retaking possession of the equipment, Cobalt Studios reserves the right to pursue collection of any monetary balance.
8. If the Renter leases, loans or otherwise permits the equipment to be used by any other person or company, the equipment will at all times remain in the immediate control and supervision of the Renter. The Renter will remain responsible to the conditions outlined in this agreement.

No terms, representations, or warranty, expressed or implied, not herein set forth in writing shall bind Cobalt Studios.