

## Rental Terms and Conditions effective August 1, 2010

Prices subject to change without notice

### RENTAL PERIOD

The rental period is from the shipping date of your Rental Order to the day goods are received back at Cobalt. The first 7 Days is a FLAT RATE. The 8th day begins the next part of your rental period; after which time the price is reduced (see schedule below). The Renter's rental contract with Cobalt Studios remains open until such time as the drop is returned and signed over to an employee or representative of Cobalt Studios. UPS Ground shipping requires 1 to 5 business days each way, depending on the Renter's physical location from our facility in New York State. Time in which the drop is in transit is time that it is reserved for you, is time that is part of your rental period time and is time in which others cannot rent it. Any variation must be pre-approved by Cobalt Studios.

### SIGNING YOUR RENTAL CONTRACT

Read this entire document. This is your acceptance of our Terms and Conditions.

Measure your facility carefully: there are no refunds if you rent drops that are too small or too big.

Check the Rental Contract carefully to be certain all the information is correct. SIGN the Rental Contract page. Return one SIGNED copy of the agreement and keep a copy for your records. FAX or mail it to us with your payment by check. You can also FAX or scan to e-mail the Rental Contract and then mail your payment. Credit cards: Please call us with your card information. Do NOT e-mail your credit card information. Your Rental Payment and Security Fee is due 2 weeks after you place your Rental Order. Your Rental Contract is canceled if we do not receive your Rental Contract and payment on or prior to the due date.

Your order is not confirmed until these signed forms and payments are received by Cobalt Studios. Your payment holds your reservation. Backdrops are not shipped without payment and security.

### YOUR COSTS for BACKDROPS RENTALS & SECURITY FUNDS

#### Security Funds:

- Stage Size Rentals: \$500.00 for up to 3 rentals on one Rental Contract.
- Small Venue Rentals: \$250.00 for up to 3 rentals on one Rental Contract.

**Security Funds:** These are contingency funds that cover the cost of **shipping ONE WAY** from us to you and **MINOR repairs** (2 inches or less), missing equipment such as ties and packing materials, late fees and cleaning of debris. **MAJOR repairs** and losses are on a case by case basis (see section titled Loss & Damages). These Security Funds are deposited and securely held in a separate account at Cobalt (section titled Payments, etc.).

#### STAGE SIZE (16' high or larger) BACKDROP

First 7 Days: \$285.00 flat rate.

Second 7 Days: \$37.00 per day (Day 8 to Day 14).

Third 7 Days: \$25.00 per day (Day 15 and UP).

•• Holiday, Scrim and Nutcracker : 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.

Additional Days: \$25.00 per day.

**2 Day Shipping is included for Small Venue Rentals; overnight shipping is extra.**

#### LOCAL Pick Up RENTALS (small venue and stage size)

First 7 Days Stage Size: \$250.00 flat rate

First 7 Days Small Venue Size: \$150.00 flat rate

Small Venue "Weekender" (Friday p.m. to Monday a.m.): \$80.00 flat rate

Additional Days: \$25.00 per day.

page 1 - section continued to next page

You must pick up & return the backdrops to our studio in White Lake, New York (90 miles NW of NYC). You will need a vehicle with a covered cargo space. Backdrops cannot get wet. Please ask us if you need to confirm what type of vehicle is appropriate. We are not open Saturdays & Sundays.

**Discounts to Non Profit Schools, Churches & others:** 5% of Rental subtotal for your first reservation (shipping costs not included).

**Frequent Renter Program / Schools, Churches & other Non Profits:** Place 2 Rental Orders between September 1 and May 30 and receive 10% off the second Rental Order. This does not apply to shipping costs.

**Frequent Renter Program / Others:** Place 3 Rental Orders between September 1 and May 30 and receive 10% off the third Rental Order. This does not apply to shipping costs.

**Gift Certificates:** All Renters receive a \$35.00 gift certificate after December 31 that is good for \$35.00 off your next rental during the next calendar year. All gift certificates have a one year expiration date.

**Holidays:** There is no daily rental charge for the following major Holidays: New Year's Day, Memorial Day, July 4, Labor Day, Thanksgiving and Christmas Day.

#### RETURN SHIPPING TO COBALT STUDIOS:

• **Stage Size Rentals:** Return your rental the same shipping method (ie. Ground Service, Next Day Air, etc.) as it was sent to you and as indicated on your contract. Insure it for the amount listed on your Rental Contract. **Return shipping is paid directly to**

**your shipper of choice. This price is NOT included in the Security Funds.**

• **Small Venue Rentals:** A return shipping slip will be placed in your box. Take the box to any UPS service provider. Pick Up calls: UPS charges extra for this; this cost is not included in your rental.

#### **PAYMENT METHODS & SCHEDULES, REFUND CHECKS, SECURITY FUNDS**

Check, money order, VISA, Mastercard or Discover Card only. We DO NOT take purchase orders or American Express.

The total payment including the Security Funds must be received at least **14 days** after the receipt of your rental order. If the payment is not received in time to ship by your shipping method of choice, the Renter will absorb the extra costs expedited shipping. The extra cost will be deducted from your Security Funds.

Once the backdrop is returned to Cobalt, checked in, and your payment clears your bank, you will receive a **Rental Return Statement** by mail. Your **refund check** will be included. If you pay by credit card, your refund is returned by check and NOT refunded to your card. Time allowed for this statement will depend on the time required to: have your check to clear your bank, time to receive your shipping statement from UPS / Fed Ex, and time for us to check your return for cleanliness and/or damages.

Security Funds are deposited at the time of receipt and are held in a separate account by Cobalt Studios. **These funds are returned to you - minus the shipping charge - if the backdrop is returned clean, on time and with no missing equipment.**

#### **SHIPPING FEES, RETURN POLICY & PACKING MATERIALS**

The Security Funds includes our cost to ship to you **ONE WAY** by your choice of shipping methods. These methods will be chosen at the time you place your order. The Renter also has the option to provide us with their company FedEx or UPS account number for direct billing. You will receive a copy of our UPS statement with your Rental Return Statement (see above). COBALT STUDIOS DOES NOT SET THE SHIPPING RATES OF UPS OR OTHER CARRIERS. **We charge you what UPS charges us. That's the best we can do.** REMEMBER: UPS charges are determined by weight and YOUR Zip Code.

page 2 - section continued to next page

The Renter will assume the cost of return shipping and insuring the drop back to Cobalt Studios. This must be paid at the point of shipping directly to your shipper. Any returns arriving C.O.D. or charged to Cobalt's account will be deducted from the Security Funds. Return shipping choices are stated on your Rental Order and are agreed upon when your order is taken. **The backdrop must be received on the date listed or substantial LATE FEES will apply.** The insurable value is listed on your Rental Order. This value must be used upon return to Cobalt.

All original packing materials need to be returned in the same condition as rented including: ties (15¢ each), plastic (\$5.00), packing peanuts (\$5.00). **Please repackage the drop as it was sent.** New boxes are used with our rentals - however, once the box leaves us, we have no control over the shipment condition.

#### **LATE RETURNS & LATE FEES, EARLY RETURNS**

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

Late: Drops not returned to Cobalt Studios by the date agreed upon on your Rental Contract will result in the Renter paying late charges. **The minimum late charge is \$100.00 per day;** not to exceed the value of the backdrop.

Late: You will not be charged a late fee due to a shipping failure by a shipping company.

Late: The Renter agrees to compensated Cobalt Studios in lost rental fees as a result of having to cancel another customer's reservation due to a late return, replacement, repairs, lost or stolen backdrops.

Early: If a drop is returned early, you will receive a credit for your next rental that is equal to the amount of time it is received early. No cash refunds.

#### **CANCELLATIONS, CANCELLATION FEES & REFUNDS**

Call Cobalt Studios immediately if you need to cancel or change a reservation.

To receive credit upon cancellation: The per drop fee will be based upon the date of the cancellation as confirmed by Cobalt Studios. Please call us as soon as possible. After business hours, please leave a message.

If the order is canceled WITHIN 10 business days after the order date: no fee.

If the order is canceled MORE than 10 business days before the shipping date: \$50 per backdrop / \$100 per backdrop for Holiday & Nutcracker. You will be mailed an invoice.

If the order is canceled LESS than 10 business days before the shipping date: \$100 per backdrop cancellation fee. You will be mailed an invoice.

If the drop has already been shipped: NO REFUNDS.

**MEASURE YOUR FACILITY!** If the drop does not fit due to the Renter not measuring or mis-measuring their facility: NO REFUNDS.

A full refund will be made if a drop does not arrive on the scheduled date due to the fault of Cobalt Studios. Cobalt Studios is not liable for any other expenses incurred by the Renter if the drop arrives late. Cobalt Studios is not liable if a drop arrives late due to shipping failures by the shipping company due to weather, shipping company delivery times or other reasons beyond our control.

#### **CARE, CLEANLINESS & SAFETY**

During the term of the rental and at all times, when drops are in the custody of the Renter, the Renter shall maintain the drops in good condition and repair. Do not: nail, staple, tack, pin, cut, tape, wet, wad in to a ball, paint, write on it, rip or alter in any way the rental pieces you have contracted. A light steaming of the goods to release wrinkle is acceptable. Do not soak with water. An instruction sheet is included in the box.

The drops must be returned clean and free of any and all debris such as but not limited to: dirt, hay, glitter, feathers, fake

snow, leaves, tape, real or fake grass, chewing gum, string, staples, and greasy footprints. Please sweep your stage or exhibit area prior to set up and take down. Drops returned dirty will be cleaned at the Renter's expense with funds deducted from the Security Funds.

page 3 - section continued to next page

Backdrops **must not get wet** from rain, snow, or stage effects. Do not leave the backdrops in an unprotected area such as an open bed truck, open air loading dock or on a damp cement floor.

Our backdrops are **NOT FOR OUTDOOR USE**. This includes use in tents and open air venues such as but not limited to: patios, pool areas, golf courses, wedding gardens and parks. For open air theatrical venues such as concert arenas, please consult with Cobalt representative.

Two or more people are required to hang a backdrop. Hanging it alone can cause damage and can be dangerous.

#### **LOSS & DAMAGES**

The Renter is responsible for damages or unauthorized treatments to any rental item while in your possession. Damage fees will be assessed up to the full value of the drop should the drop not be returned or be returned in damaged condition, due to any cause.

**Minor repairs** (2 inches or less) and cleaning will be deducted from the Security & Handling Charge.

**Major repairs** are assessed on a per case basis. **Major loss** includes: loss due to theft, loss due to customer accident and loss due to customer carelessness. **Major damage** includes: damage due to customer accident or carelessness, not repairable damage such as large rips or burns.

#### **General Terms of Liability - the LEGAL part**

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.

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.

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.

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.

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.

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.

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.

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.

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.