

ARTISTRY IN MOTION, INC.

Standard Conditions of Sale

1. THIS ACKNOWLEDGMENT AND ACCEPTANCE IS EXPRESSLY LIMITED TO AND MADE CONDITIONAL UPON THE TERMS AND CONDITIONS CONTAINED HEREIN, AND ANY OF THE PURCHASER'S TERMS AND CONDITIONS WHICH ARE IN ADDITION TO OR DIFFERENT FROM THOSE CONTAINED HEREIN WHICH ARE NOT SEPARATELY AGREED TO IN WRITING (EXCEPT ADDITIONAL PROVISIONS SPECIFYING QUANTITY, CHARACTER OF THE PRODUCTS ORDERED, AND IN SHIPPING INSTRUCTIONS) ARE HEREBY OBJECTED TO AND SHALL BE OF NO EFFECT. OBJECTION TO ANY TERMS AND CONDITIONS CONTAINED HEREIN SHALL BE DEEMED TO HAVE BEEN WAIVED IF WRITTEN NOTICE OF SUCH OBJECTION IS NOT RECEIVED BY THE COMPANY WITHIN TEN DAYS OF THE DATE OF THIS ACKNOWLEDGMENT. THE PURCHASER WILL IN ANY EVENT BE DEEMED TO HAVE ASSENTED TO ALL TERMS AND CONDITIONS CONTAINED HEREIN IF ANY PART OF THE PRODUCTS DESCRIBED HEREIN IS ACCEPTED.

2. **Warranty.** The Company's standard published warranties in effect at the time of shipment for the particular products shall apply. THESE WARRANTIES ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

The liability of the Company (except as to title) arising out of the supplying of such products, or their use, whether on warranties, negligence, or otherwise, shall not in any case exceed the cost of correcting defects as stated in the warranty and upon expiration of the warranty period all such liability shall terminate. The foregoing shall constitute the sole remedy of the Purchaser and the exclusive liability of the Company.

3. **Patents.** The Purchaser shall hold the Company harmless against any expense or loss resulting from infringement of patents or trademarks arising from compliance with Purchaser's designs or specifications or instructions.

The sale of products, or parts thereof, by the Company does not convey any license, by implication, estoppel, or otherwise, under patent claims covering combinations of said products or parts with other devices or elements.

4. **Delivery.** Shipping dates are approximate and are based upon prompt receipt of all necessary information.

The company shall not be liable for delays in delivery or failure to manufacture or deliver (a) due to causes beyond its reasonable control; (b) due to acts of God, acts of the Purchaser, acts of civil or military authority, priorities, fires, strikes, floods, epidemics, quarantine restrictions, war, riot, delays in transportation or car shortages; (c) due to inability due to cause beyond its reasonable control to obtain necessary labor, materials, components or manufacturing facilities; or (d) due to

any other commercial impracticability. In the event of any such delay, the date of delivery shall be deferred for a period equal to the time lost by reason of the delay.

5. Transportation. Unless otherwise agreed in writing by the Company, delivery of the products hereunder shall be made F.O.B. point of shipment, with transportation expenses paid by the Purchaser and risk of loss or damage to products in transit shall fall upon the Purchaser, whose responsibility it shall be to file claims with the carrier.

6. Payments. Unless otherwise agreed in writing by the Company, the purchase price for products shall be paid prior to shipment of such products. If the Company agrees to extend payment terms, then the payment shall be due based on the agreed upon term, but in any event, shall be paid in full within thirty (30) days after such date of shipment. If an order is shipped in installments, pro rata payments shall become due as shipments are made. If the Purchaser delays shipments, payments shall become due on the date when the Company is prepared to make shipment. If the work to be performed hereunder is delayed by the Purchaser, payments shall be made based on the purchase price and the percentage of completion. Products held for the Purchaser shall be at the risk and expense of the Purchaser.

If the financial condition of the Purchaser at any time is such as to give the Company, in its judgment, reasonable grounds for insecurity concerning the Purchaser's ability to perform his obligations under this contract, the Company may require full or partial payment in advance or may suspend any further deliveries or continuance of the work to be performed by the Company until such payment has been received. Failure to furnish such payment within ten days of demand by the Company shall constitute a repudiation of the contract and in such event the Company shall be entitled to receive reimbursement for its cancellation charges. In the event of bankruptcy or insolvency of the Purchaser or in the event any proceeding is brought by or against the Purchaser under the bankruptcy or insolvency laws, the Company shall be entitled to cancel any order outstanding at any time during the period allowed for filing claims against the estate and shall receive reimbursement for its cancellation charges.

7. Taxes. The Company's prices do not include sales, use, excise, or similar taxes. Consequently, in addition to the price specified herein, the amount of any present or future sales, use, excise, or other tax applicable to the sale or use of the products sold hereunder shall be paid by the Purchaser, or in lieu thereof the Purchaser shall provide the Company with a tax-exemption certificate acceptable to the taxing authorities.

8. Security Title. Security title and right of possession to the products sold hereunder shall remain with the Company until all payments hereunder (including deferred payments whether evidenced by notes or otherwise) shall have been made in full in cash, and the Purchaser agrees to do all acts necessary to perfect and maintain such security right and title in the Company.

9. Cancellation. The Purchaser may cancel its order only upon written notice and upon payment to the Company of cancellation charges, which shall take into account, among other things, expenses incurred and commitments already made by the Company. Orders for custom imprinted products, or which require the creation of custom tooling are not cancelable.

10. Government Contracts. Parties acknowledge that this is not a government contract, and that the Federal Acquisition Regulations do not apply to the transaction contemplated hereby.

11. Limitation of Liability. The Company's liability for any claim of any kind, including negligence and breach of warranty, for any loss or damage resulting from, arising out of, or connected with this contract, or from the performance or breach thereof, or from the manufacture, sale, delivery, resale, repair or use of any product covered by or furnished under this contract shall in no case exceed the price allocable to the product or part thereof which gives rise to the claim. IN NO EVENT SHALL THE COMPANY BE LIABLE FOR ANY LOSS OF USE, LOSS OF GOODWILL, INTERRUPTION OF BUSINESS, OR FOR INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST REVENUES OR LOST PROFITS) OR SIMILAR DAMAGES, WHETHER BASED IN TORT (INCLUDING WITHOUT LIMITATION, NEGLIGENCE OR STRICT LIABILITY), CONTRACT, OR OTHER LEGAL OR EQUITABLE GROUNDS, EVEN IF THE COMPANY HAS BEEN ADVISED OR HAD REASON TO KNOW OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IN THE EVENT OF FAILURE OF EXCLUSIVE REMEDIES.

As a condition of rental or purchase, the Purchaser must acknowledge awareness and agreement that utilization of these products and participation in activities utilizing confetti, streamers, and other visual special effects can be a hazardous activity carrying implied and explicit risks of injuries and damages to the user and to the public. The Purchaser assumes the risk connected with the utilization of these products and all risks of participation in the activities for which these products are sold. Purchaser acknowledges that he/she/it has the necessary and required skill, expertise, training and licensing, as may be applicable or necessary by custom, usage, trade or law, to engage and participate in the activities connected with the use, purchase, transportation, or employment of these products. Purchaser acknowledges that Artistry In Motion, Inc. has not and will not conduct any investigation into the skill, expertise, training and licensing, as may be applicable or necessary by custom, usage, trade or law, of the Purchaser or of Purchaser's agents, employees and assigns, to engage and participate in the activities connected with the use, purchase, transportation, or employment of these products. Purchaser specifically agrees that Artistry In Motion, Inc., its officers, employees, and agents shall not be liable for any claim, demand, cause of action of any kind whatsoever for, or on account of death, personal injury, property damage or loss of any kind resulting from or related to Purchaser's or Purchaser's employees', agents' or assigns' use of this product, and Purchaser agrees to indemnify, defend in any action at law, and hold harmless Artistry In Motion, Inc. from same, whether brought by the Purchaser, Purchaser's agent, or assigns, or any third party.

12. Assignment. Any assignment of this order, or of any rights or obligations hereunder by the Purchaser without the written consent of the Company shall be void.

13. Applicable Law. This agreement and matters connected with the performance thereof shall be construed, interpreted, applied, and governed in all respects by the laws of the State of California applicable to contracts made and performed in such state.

14. General. This agreement shall be construed to be between merchants.

Artistry In Motion, Inc.
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Except as may be expressly provided to the contrary in writing, the provisions of this contract are for the benefit of the parties hereto and not for any other person.

This instrument contains the entire and only agreement between the parties hereto relating to the subject matter hereof, and any representation, affirmation of fact and course of prior dealings, promise or conditions in connection therewith or usage of the trade not incorporated herein shall not be binding on either party. No change, modification, rescission, discharge, abandonment or waiver of these standard conditions of sale shall be binding upon the Company unless made in writing and signed on its behalf by an officer of the Company.